

BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300

guy.hicks@bellsouth.com

REC'D TH
REGULATORY AUTH.

Guy M. Hicks
General Counsel

'01 MAY 10 PM 3 30
May 10, 2001

OFFICE OF THE
EXECUTIVE SECRETARY
615 214 6301
Fax 615 214 7406

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

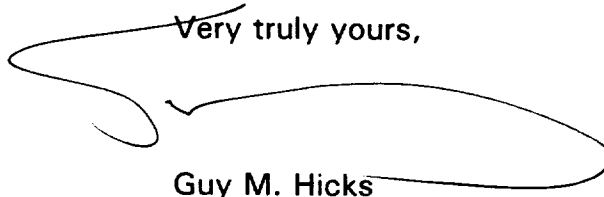
Re: *Petition of MCImetro Access Transmission Services, LLC and Brooks
Fiber Communications of Tennessee, Inc. for Arbitration of Certain
Terms and Conditions of Proposed Agreement with BellSouth
Telecommunications, Inc. Concerning Interconnection and Resale
Under the Telecommunications Act of 1996*
Docket No. 00-00309

Dear Mr. Waddell:

Enclosed are fourteen copies of the deposition of Mr. Don Price, which is
Hearing Exhibit 7. BellSouth is providing copies to the court reporter as well.

Please do not hesitate to call if you have any questions. Thank you for your
attention to this matter.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

CERTIFICATE OF SERVICE

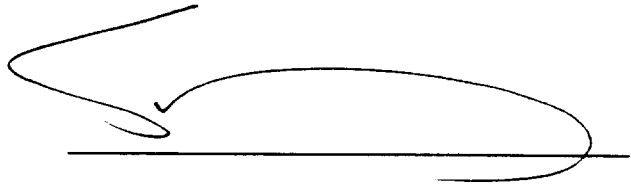
I hereby certify that on May 10, 2001, a copy of the foregoing document was served on the parties of record, via the method indicated:

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

Jon E. Hastings, Esquire
Boult, Cummings, et al.
P. O. Box 198062
Nashville, TN 37219-8062

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

Susan Berlin
Dulaney L. O'Roark, III
MCI WorldCom, Inc.
Six Concourse Pkwy, #3200
Atlanta, GA 30328

A handwritten signature in black ink, appearing to read "Susan Berlin", is written over a horizontal line.

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re: Petition of MCImetro :
Access Transmission Services, LLC :
and MCI Worldcom Communications, :
Inc., for Arbitration of Certain :
Terms and Conditions of Proposed : DOCKET NUMBER
Agreement with BellSouth : 11901-U
Telecommunications, Inc., :
Concerning Interconnection and :
Resale Under the Telecommunications :
Act of 1996. :

Deposition of **DON PRICE** taken pursuant to the stipulations contained herein; reading and signing of the deposition reserved, before Lisa A. Singley, B-1616, Certified Court Reporter, Notary Public in and for Newton County, Georgia, commencing at 9:05 A.M., on Friday, August 18, 2000, at Six Concourse Parkway, Suite 3200, Atlanta, Georgia.

APPEARANCES:

For BellSouth:

D. MICHAEL TWOMEY, ESQUIRE

For MCI:

SUSAN J. BERLIN, ATTORNEY AT LAW

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

. APPEARANCES

FOR BELLSOUTH:

BELLSOUTH TELECOMMUNICATIONS, INC.
D. MICHAEL TWOMEY, ESQUIRE
675 West Peachtree Street, N.E.
Suite 4300
Atlanta, Georgia 30375
(404) 335-0754

FOR MCI:

MCI WORLDCOM
SUSAN J. BERLIN, ATTORNEY AT LAW
Six Concourse Parkway
Suite 3200
Atlanta, Georgia 30328
(770) 284-5491

ALSO PRESENT:

VIA TELEPHONE
FELICIA BANKS and MICHAEL DERRICK
FLORIDA PUBLIC SERVICE COMMISSION

VERBATIM COURT REPORTERS, INC.
P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

I N D E X

DEPONENT	PAGE
DON PRICE	
Cross examination by Mr. Twomey	5
(No exhibits marked by the parties)	

VERBATIM COURT REPORTERS, INC.
P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

P R O C E E D I N G S

(9:05 A.M.)

Whereupon,

DON PRICE

was called as a witness herein, and having been first duly sworn, was examined and deposed as follows:

CROSS EXAMINATION

BY MR. TWOMEY:

Q. Good morning, Mr. Price.

A. Good morning.

Q. Would you please state your full name and business address for the record?

A. Yes. Don Price, my business address is 701 Brazos, B as in boy, r-a-z-o-s, Suite 600, Austin, Texas 78701.

Q. You are an MCI employee; correct?

A. Yes.

Q. Or Worldcom, whatever the name is?

A. I wasn't going to quibble.

Q. Okay. What is your current title?

A. Senior Manager of State Regulatory Policy.

MR. TWOMEY: Before we go any further, I guess we should put on the record that this deposition is being taken in the MCI BellSouth

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Arbitrations and for use in any of the
2 proceedings pending in Georgia, Florida,
3 Tennessee or North Carolina. And notices of
4 deposition have been sent to staff members of
5 all Public Service Commissions.

6 I believe Florida Commission Staff is
7 on the phone this morning. Do you want to
8 have people on the phone to identify
9 themselves for the record?

10 MS. BERLIN: That would be great.

11 MR. TWOMEY: Can the people on the phone
12 please identify themselves for the record?

13 MS. BERLIN: We're not on yet, so we don't
14 really...

15 MR. TWOMEY: Hello. I was just going to
16 have...

17 MS. BANKS: I'm Felicia Banks, Legal
18 Counsel, Florida Public Service Commission.

19 MR. TWOMEY: Anybody else on the record --
20 on the phone, excuse me?

21 (No response).

22 BY MR. TWOMEY: (Resuming)

23 Q. Mr. Price, you filed direct testimony in
24 this -- in the docket. I'm looking at your Georgia
25 testimony. I believe that's the only place we

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 actually have pretrial testimony, Mr. Price; is
2 that right?

3 A. I don't believe that's correct. But I do
4 have the Georgia testimony in front of me.

5 Q. Oh, North Carolina, that's right. Your
6 direct testimony covered issues one through three,
7 six, seven, 47, 51, 67, 68, 75, 94 and 106 through
8 111. And then you are adopting the direct
9 testimony of Ron Martinez; is that right?

10 A. Yes, I am.

11 Q. And you picked up issues nine, 18, 22, 23,
12 28, 29, 39, 40, 42, 43, 45, 46, 53, 92, 93, 95
13 through 97 and 99 through 103. Is that right?

14 A. I have to apologize. I didn't keep track
15 of that as you were going through it.

16 Q. I'm referring to page two of your
17 rebuttal, the way you list them.

18 A. In that case -- in that case, I'm
19 comfortable with that recitation.

20 Q. And from the time that you filed your
21 rebuttal, have there been any changes to the
22 allocation of the issues as far as you know?

23 A. No.

24 Q. Do you have any corrections or additions
25 to your testimony that you've noticed up to this

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 point, for example, that you would change when you
2 got to the hearing?

3 A. I have not looked specifically with that
4 in mind. I did see something earlier today but now
5 I can't recall exactly where it is. But I don't --
6 I'm not in a position to -- to make those changes
7 here and now.

8 Q. All right. Although the deposition is
9 taken for purposes of using in the different
10 Commission proceedings, just for ease of records
11 for me, I'm going to work with your Georgia
12 testimony. Do you have a copy of that in front of
13 you?

14 A. Yes, I do.

15 Q. All right. Mr. Price, are you testifying
16 on behalf of MCI on issues similar to or
17 substantially the same as the issues that are in
18 this Georgia proceeding anywhere outside of the
19 BellSouth Region?

20 A. I have provided testimony on some similar
21 issues in the past in a recent Texas proceeding.
22 It was a limited proceeding so the scope of issues
23 was much narrower.

24 Q. What was the scope of the issues in the
25 Texas proceeding that you addressed?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. It was a proceeding and it was a generic
2 arbitration, if you will, that pertained to
3 reciprocal compensation and issues related thereto,
4 such as -- let me get my list here.

5 Unlike some of you guys, I'm still not at
6 the position where I can say by issue number
7 exactly what all of these are.

8 Q. You and I are in exactly the same position
9 in that regard.

10 A. Issue 51, the tandem charges or the --
11 sometimes referred as the symmetry issue was also
12 in the scope of that Texas proceeding.

13 Q. That's the entitlement to the tandem
14 interconnection rate?

15 A. Yes.

16 Q. The reciprocal compensation issues in
17 Texas, did they concern only the Internet Search
18 Providers?

19 A. Generally, yes.

20 Q. Do you happen to know the docket number or
21 what the matter, name of that proceeding?

22 A. I believe it was Docket Number 21982. I
23 could -- I could verify that very easily during a
24 break.

25 Q. Is that still open, that proceeding?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. The arbitration award has been issued.
2 The parties are in the process of finalizing the
3 compliance language in the contracts around the
4 award.

5 Q. You referred to the proceeding as a
6 generic arbitration. Was it effectively a
7 consolidated arbitration between Southwestern Bell,
8 SPC, and multiple carriers at the same time on
9 those issues?

10 A. Yes. There were contracts expiring for a
11 number of carriers around the same time. And the
12 Texas Commission made a decision to -- and
13 consolidate may have a little more baggage than --
14 legal baggage than what I'm implying but for
15 purposes of the hearing at least all of the parties
16 participating together with SPC.

17 Q. Were you only providing testimony on
18 behalf of MCI in that proceeding or Worldcom?

19 A. Yes.

20 Q. How did the Commission resolve the issue
21 of reciprocal compensation for ISP traffic?

22 A. They concluded as they had previously that
23 traffic to ISPs dialed on a seven or ten digit
24 local basis was indeed local traffic and was
25 subject to compensation between the carriers.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. How did the Commission resolve the issue
2 -- what you would refer to as Issue 51 in our
3 proceeding, that is the entitlement to a tandem
4 interconnection?

5 A. I wish I could summarize that part of the
6 decision as succinctly as I just did on the other
7 part.

8 Q. Well, let me break it down for you. One
9 of the issues that has come up between BellSouth
10 and some other carriers is, on this issue, is first
11 of all whether there ought to be a two part test,
12 if you will or a one part test. And that is do you
13 look at the functionality of the switch and the
14 geographic scope or do you only look at the
15 geographic scope. Did the Texas Commission look at
16 that issue?

17 A. I -- I'd say yes. It wasn't -- the issue
18 wasn't set up quite the same way that it has been
19 in the BellSouth States. But there was some
20 argument along the lines that BellSouth is making
21 regarding functionality.

22 Q. Did the Texas Commission consider the
23 functionality of the switch in determining a
24 carrier's entitlement to tandem rates?

25 A. I'd say generally no. What the award

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 does is it sets out a series of factors that the
2 Commission would consider in determining the
3 applicability of the tandem interconnection rate
4 for traffic delivered by a CLEC to Southwestern
5 Bell.

6 So, if you will, there is -- there are
7 guidelines that are set out in the award. And then
8 it's up to the individual carrier to make a showing
9 pursuant to the award that would then be ruled upon
10 in terms of the entitlement to tandem compensation
11 or tandem switching.

12 Q. Okay. Did the factors -- were the factors
13 adopted by the Commission in line with your
14 recommendation in that proceeding?

15 A. That's a little bit difficult to answer.
16 That particular part of the Commission's decision
17 was -- I'm trying to think of how to say this
18 exactly -- the record was not perhaps as sufficient
19 as what the Commission would have liked. And there
20 were some -- there were affidavits and there were
21 briefs that were specific to the Commission's
22 determination on that that were filed after the
23 close of the record and after the close of the
24 hearing.

25 And so in some part, I'd have to say it's

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 certainly not consistent with the testimony that I
2 had presented. But perhaps consistent with some
3 pleadings that we had filed in response to sort of
4 indications from the Commission as to how they were
5 leaning and requests along those lines for specific
6 information and possible ways to resolve the
7 differences between the parties.

8 Q. Well, let me ask you this way. Do you
9 agree with the result reached by the Texas
10 Commission on the issue of tandem switching?

11 A. It's a -- for lack of a better term, I'd
12 -- it's a political result. It's a way...

13 Q. Does that mean no?

14 A. Yes, it does mean no.

15 Q. Aside from the Texas proceeding, and I --
16 obviously we've been arguing about a lot of issues
17 since 1996. And I don't mean to go back all the
18 way to what I'll call the first round of
19 arbitrations. But in the last twelve months, have
20 you provided testimony in any other proceeding on
21 the issues substantially similar to the issues
22 you're providing testimony on this proceeding?

23 A. No, I don't believe so, because the timing
24 of the expiration of the various contracts that
25 relate to the CLECs and to the Worldcom corporate

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 umbrella has really just been within the last
2 twelve months. And this is really, in some
3 respects, part of the first wave.

4 Q. So Worldcom does not currently have
5 arbitrations going on with Bell Atlantic or SPC at
6 this point?

7 A. I believe that there have been -- I
8 believe there was recently filed a petition in
9 Virginia for arbitration with Bell Atlantic, what
10 we refer to as Bell Atlantic South.

11 There is an arbitration in Texas
12 pertaining to the -- the company that I still refer
13 to as MFS which, of course, is a Worldcom CLEC.
14 And...

15 Q. That's between MFS and SPC?

16 A. Yes, it is in Texas. And I apologize if I
17 didn't remember this one earlier. But I did
18 provide testimony on some of the issues that are in
19 dispute between BellSouth and MCI in these
20 proceedings, but not within...

21 Q. But the Virginia proceeding -- sorry.

22 A. No, I apologize. But not -- some of those
23 issues that I testified on in Texas may not be
24 within the scope of my testimony here.

25 Q. Have you filed testimony in the Virginia

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 proceeding yet?

2 A. I have not and, in fact, it's not at all
3 clear that I will.

4 Q. Do you have a -- a peer within Worldcom
5 who will provide testimony on issues that you cover
6 in the Virginia case?

7 A. The -- perhaps the easiest way to answer
8 that is that we kind of deal with these proceedings
9 on an ad hoc basis. In other words, there's not a
10 SWAT team that's at the ready to just be deployed.
11 So we will, as a -- as a team, my group, the State
12 Regulatory Policy Group, will provide witness
13 assistance on certain issues.

14 Q. What I'm trying to get to is is there any
15 pretrial testimony into the record in Virginia yet
16 on any of the issues that are similar issues raised
17 in this BellSouth proceeding?

18 A. I am not aware of how their process is,
19 whether the petition has to include, for example,
20 pretrial testimony. So I can't answer. I
21 apologize.

22 Q. That's all right. Would the same be true
23 of the MFS proceeding you referred to?

24 A. In Texas?

25 Q. Yes.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. The award has been issued in that
2 proceeding. So there was pretrial testimony.

3 Q. Didn't you say there were at least some
4 common issues in that proceeding to issues that
5 have been raised in this proceeding?

6 A. Yes. The ones that come to mind are
7 issues, for example, that in the testimony of Mr.
8 Olson on point of interconnection and network
9 design and those kinds of things, obviously others
10 as well.

11 Q. Well, do you know the docket number of the
12 Texas MFS proceeding?

13 A. I believe that one is 21791, again subject
14 to check, and I can get that quite easily.

15 MR. TWOMEY: Off the record.

16 (Whereupon, a brief discussion ensued
17 off the record.)

18 BY MR. TWOMEY: (Resuming)

19 Q. Do you have a copy of the matrix of the
20 issues that we filed into the record of Georgia?

21 MR. DERRICK: Hello?

22 MR. TWOMEY: I'm sorry?

23 MR. DERRICK: Hello?

24 MR. TWOMEY: Hello.

25 MR. DERRICK: Yes, this is Michael

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Derrick, Florida Commission.

2 MR. TWOMEY: Hi, Michael. Did you just
3 ask a question? I'm sorry.

4 MR. DERRICK: And your name is?

5 MR. TWOMEY: Mike Twomey. This is Mike
6 Twomey.

7 MR. DERRICK: Hello, Mr. Twomey, good
8 morning.

9 MR. TWOMEY: Good morning.

10 MR. DERRICK: Have you guys gotten started
11 yet?

12 MR. TWOMEY: We've been going for about
13 fifteen minutes, I guess.

14 MR. DERRICK: All right. We had some
15 confusion down here on the number. But...

16 MR. TWOMEY: I'm sorry.

17 MR. DERRICK: -- I'm with you now.

18 MR. TWOMEY: This is all off the record.

19 (Whereupon, a brief off-the-record
20 discussion ensued).

21 BY THE WITNESS: (Resuming)

22 A. A couple of things. I'm not sure whether
23 this is the one that actually lists the -- the two
24 parties positions on the issues.

25 Q. It looks like this?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. Right. I have one that I've pared down to
2 take out all the stuff that I'm not responsible
3 for, I hope.

4 Q. Okay. No, that's true. That's a good
5 idea. I just may be referring to it during the --
6 during the -- during the deposition.

7 A. So this would be the MCI Worldcom
8 BellSouth Preliminary of unresolved issues in
9 Georgia, Arbitration Case 11901U?

10 Q. Yes.

11 A. Very good.

12 Q. Let's go directly to issue one which is
13 addressed, I believe both in your direct and your
14 rebuttal.

15 A. All right.

16 Q. I'll just try to narrow what -- what the
17 areas in dispute are here. If BellSouth provides
18 electronic ordering to MCI Worldcom, obviously
19 you'll have no disagreement with being charged the
20 electronic ordering price for that; correct?

21 A. Generally, yes. The only possible
22 qualification in that would be in an instance where
23 the interface was not functioning as it should for
24 whatever reasons. And then obviously because of
25 that, we were unable to handle or to pass to

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 BellSouth orders over that interface.

2 Q. Well, actually, I think -- let me ask you
3 this. Is it your understanding that if we had an
4 electronic ordering system in place that is not
5 functioning for a period of time and you submit
6 manual orders during that time, BellSouth has
7 offered to charge you the lower electronic ordering
8 charge; do you understand that?

9 A. I -- I believe I've read something to that
10 effect and to that extent, then my qualification I
11 just made would go away.

12 Q. Okay. So you obviously do not have any
13 disagreement with BellSouth agreeing to charge you
14 a lower rate when you submit a manual charge under
15 those circumstances, do you?

16 A. Under the circumstances where the
17 interface isn't -- isn't functioning properly, no,
18 obviously I have no disagreement.

19 Q. All right. Now, in your direct testimony,
20 let's look at page five. For those of you on the
21 phone I -- I'm looking at his Georgia prefiled
22 direct. I don't know if you have copy of it, but
23 that's the document I'm working from. Okay. I'm
24 looking at page five of your direct prefiled -- of
25 your direct prefiled testimony.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. All right.

2 Q. Filed on July 20th, 2000. At line eleven
3 you say if BellSouth uses electronic processes for
4 its own OSS and does not provide electronic
5 processes to its competitors to obtain what amounts
6 to substantially the same elements or services, it
7 is not providing parity. See that statement.

8 A. Yes, I do.

9 Q. And have you had an opportunity to review
10 the testimony of Mr. Varner and Mr. Pate, the
11 rebuttal testimony that both gentlemen filed on
12 this subject?

13 A. Yes, I have.

14 Q. Mr. Pate testified -- and I'm obviously
15 paraphrasing, I don't have it in front of me --
16 that he was unaware of any circumstance like that
17 which you've described on page five. So my
18 question to you is do you have an example of where
19 you believe that's happening in BellSouth's
20 network?

21 A. No, I don't. And I don't have -- have any
22 reason to take issue with Mr. Pate's testimony on
23 that. I guess I would observe the fact that that
24 doesn't -- does not exist today would not preclude
25 necessarily from that situation arising in the

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 future. And so to that extent, I think the concern
2 would still be there, the concern that has been
3 expressed in my testimony.

4 Q. Okay. I just wanted to be clear for
5 purposes of this record that you are not testifying
6 to the Commission that -- that you believe
7 BellSouth is doing that today; is that right?

8 A. And that is correct.

9 Q. So assuming that you have no evidence that
10 BellSouth is using electronic processes for its own
11 OSS while not making that available to its
12 competitors and considering that BellSouth has
13 testified that it is not in fact doing so, can you
14 think of any disagreement we have on issue one at
15 this point for the Commission to resolve?

16 A. Well, as I stated a minute ago, the fact
17 that there are not -- assuming again that the
18 statements of Mr. Pate were correct and that there
19 are not disparate systems that exist today, then at
20 this time there would be no dispute.

21 But again, the language that we're asking
22 the Commission to adopt would insure that, to the
23 extent that a disparity were created in the future,
24 you know, in our view, that would be the
25 appropriate language in order to preclude that from

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | happening and -- and for MCI to be penalized as a
2 | result.

3 | And as I also testified and to create the
4 | appropriate incentives for BellSouth to deploy
5 | electronic systems to the CLECs to the extent that
6 | if they developed some new system for its own --
7 | for some newer or non existing retail service
8 | today.

9 | Q. Well, BellSouth has other incentives to
10 | make sure that it's providing parities to
11 | competitors; correct?

12 | A. Yes, I would say that there are -- there
13 | are currently certain incentives that BellSouth
14 | would have. Again, some of those may go away in
15 | the future. And for our language to be adopted
16 | would preserve this incentive, if you will,
17 | throughout the life of the contract.

18 | Q. But doesn't the Act require BellSouth to
19 | provide nondiscriminatory access to its OSS?

20 | A. Certainly and, of course, as you know,
21 | sometimes BellSouth's interpretation of, you know,
22 | what would represent parity and ours might differ.

23 | And, again, I think the appropriate thing
24 | for the Commission to do on this would be to go
25 | with our language. And if -- if there is no

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | disparate treatment today, then it shouldn't create
2 | any problems. And if that disparity never exists,
3 | then there would never be any reason for BellSouth
4 | to be -- harmed is not the right word I'm looking
5 | for -- but to object to the -- to the treatment
6 | that's in the agreement.

7 | Q. Well, let's look at -- do you have a copy
8 | of the contract that's at issue in this case?

9 | A. I believe only -- only the language that's
10 | in dispute.

11 | Q. Okay. Do you have a copy of 2.9, which is
12 | the...

13 | A. -- preceding paragraph?

14 | Q. -- which is the reference to -- where in
15 | this language that you've proposed does it address
16 | the issue of parity in terms of -- and what I mean
17 | specifically by that is this specter of us having
18 | an electronic system for our retail services that
19 | we do not offer to competitors?

20 | A. It would be in -- in my copy, it would be
21 | at page four, I believe beginning at line 24. I
22 | think that's right. The electronically ordered
23 | nonrecurring charge will apply in the event LSRs
24 | are submitted manually when electronic interfaces
25 | are not available or -- and it goes on, not

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 functioning within specified standards.

2 Q. If BellSouth does not have electronic
3 ordering capabilities for itself for a particular
4 service, you would agree with me that it has no
5 obligation to provide electronic ordering for the
6 competitors; correct?

7 A. Generally, yes.

8 Q. If we adopt the language that you've got
9 here, which is in the contract as well as set forth
10 in your testimony -- I know you're not a lawyer,
11 but it seems to say that the elec -- at least the
12 first clause, if the electronically ordered
13 nonrecurring charges won't apply if electronic
14 interfaces are unavailable without any regard to
15 whether BellSouth has them available to itself.
16 Isn't that how you read it?

17 MS. BERLIN: Could you clarify which
18 sentence you're talking about?

19 MR. TWOMEY: Same sentence he just
20 referred to on page four of his direct
21 testimony at lines 23 through 26.

22 BY THE WITNESS: (Resuming)

23 A. And I apologize. Could you restate your
24 question?

25 Q. My question is wouldn't the language that

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | you've set forth in your testimony that's also
2 | language proposed by MCI in the contract entitle
3 | Worldcom to pay the electronic nonrecurring charge
4 | in all circumstances where an electronic
5 | intervention's out there?

6 | A. I can see that interpretation of the
7 | phrase we're referring to, and I can assure you
8 | that that's not our intent. So we need to work on
9 | that language, perhaps.

10 | Q. Well, let me ask you this. If the -- let
11 | me go back to the incentives for BellSouth. Would
12 | you agree with me that the Act requires us to
13 | provide parity and the FCC has also required us to
14 | provide (unintelligible) to the OSS; is this
15 | correct?

16 | Q. Yes. And you mentioned that some of our
17 | incentives might go away in the future. I presumed
18 | you were not including the Act or the FCC in that
19 | discussion; correct?

20 | A. Correct. I was thinking more in lines of
21 | possible 271 relief.

22 | Q. I mean, aren't we really saying that you
23 | want this language in the agreement so that we will
24 | not breach our obligations under the Act or under
25 | the FCC words?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. Well, at the highest level, yeah. But the
2 -- again, this would be a specific way of, you
3 know, providing additional assurances, I suppose,
4 as to this specific issue. I mean, you know, if --
5 if this were a perfect world, perhaps we might have
6 a one page agreement between the companies that
7 says, you know, we promise to do the right thing
8 pursuant to the Act and the orders.

9 But, as you know, both sides require a
10 little bit more specificity. And I think that's
11 all we're trying to do here.

12 Q. And the question I just asked you about
13 the ambiguity of the language on these, 23 through
14 26, I have the same question in lines 20 through
15 23. In my mind it raises the same concern. Do you
16 agree?

17 A. Yes. And as I stated earlier, to the
18 extent that we need to somewhat tweak this in order
19 to better evidence the intent as discussed in the
20 testimony, you know. For my part, I would
21 certainly be willing to entertain that.

22 Q. Okay. Let's go to issue two. Issue two
23 concerns rates and charges under the agreement;
24 correct?

25 A. Yes.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. There are unbundled elements which
2 BellSouth must provide to Worldcom and other CLECs,
3 that it was not specifically required to provide
4 during the last round of arbitrations. Do you
5 agree with that?

6 Let me strike that because I don't mean to
7 imply that -- let me try it again, try it from
8 another angle.

9 The FCC has provided us with some
10 additional guidance in concert with the Eighth
11 Circuit as to what exactly the unbundled network
12 elements are. And in that regard, there are some
13 additional unbundled network elements that
14 BellSouth and MCI need to have a price for. Do you
15 agree with that?

16 A. I agree that the FCC's UNE Remand Order or
17 3/19 decision changed the landscape a little bit,
18 yes.

19 Q. And so the bottom line is we've got some
20 unbundled network elements for which we did not get
21 rates out of the last round of arbitrations and
22 generic cost lines; correct?

23 A. Generally I would agree with that,
24 although I can assure you I don't have that close a
25 knowledge of the elements that may not have been

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 set, for example, in North Carolina or Georgia or
2 Florida relative to the 3/19 decision as it -- as
3 it stands today.

4 Q. Well, I know you're not a lawyer but
5 you've certainly read the Act in great detail.
6 You've cited it throughout your testimony in the
7 various issues. You would agree with me that at
8 least under the express terms of the Act, Congress
9 appeared to envisage -- envision a situation where
10 two parties would try to negotiate agreement which
11 included rates, terms and conditions and if
12 unsuccessful go to the Commission, which would set
13 rates, terms and conditions for those parties;
14 correct?

15 A. As -- as a very, very generalized
16 statement, yes.

17 Q. And the idea of these generic rate setting
18 proceedings was something that -- it was a creature
19 really of convenience to the State Commissions that
20 all parties, CLEC's and ILEC's, have agreed to in
21 order to have a organized way of setting rates
22 under these agreements. Do you agree with that in
23 general?

24 A. Generally I would. I mean from -- from my
25 perspective and from my company's perspective, I

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 think, you know, another piece of that would the
2 obvious disincentives of incumbent telephone
3 companies such as BellSouth to -- to price
4 unbundled elements in -- in an aggressive manner,
5 if you will.

6 So it's not just the Commissions; it's
7 also the, you know, to some extent the parties's
8 incentives that have led Commissions to try to deal
9 with that problem in that way.

10 Q. Well, the reason I'm wanting to ask you
11 those questions is that at lines -- at pages five
12 and six of your -- of your rebuttal testimony --
13 and I'm referring to your rebuttal testimony on...

14 A. August 3.

15 Q. -- August 3. You appear to be suggesting
16 that it would be inappropriate for the Commission
17 to set rates in this proceeding just because there
18 are not other carriers involved. Is that what
19 you're suggesting?

20 A. Can you point me to -- are you talking
21 about the answer that begins at the bottom of page
22 five and extends onto page six?

23 Q. Yes.

24 A. Let me just review that, please.

25 Q. It's specifically line 23 on page five

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 through page six.

2 A. All right. And if you could just restate
3 the question again.

4 Q. Are you suggesting that it would be
5 inappropriate for the Commission to set rates for
6 those unbundled elements that we don't already know
7 about?

8 A. I think the point that I'm trying to make
9 here is that there has not been in the context of
10 this proceeding anywhere near the degree of focus
11 and attention on the costing issues that has
12 occurred in the past in the generic proceedings.

13 And it is -- the process of examining the
14 cost studies and getting behind them, if you will,
15 is -- is one that requires a great deal of time and
16 effort. And in fact, many of these proceedings,
17 you know, take a year or more because of the --
18 because of the amount of -- of detail that's
19 presented in the cost studies and the amount of
20 backup material that has to be reviewed and all.

21 So I don't think I'm trying to say that it
22 would be inappropriate, just that the level of
23 focus and attention has not yet been brought to
24 bear to the same extent that it was in the generic
25 proceedings.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. All right. I'm trying -- what I was
2 trying to do is get a handle on whether you are
3 objecting to any revisions to the -- to the rates
4 or whether you are also objecting to the setting of
5 new rates for items that we don't currently price.

6 A. And I apologize; could you ask me that
7 again?

8 Q. What I was trying to determine is whether
9 your statements here on pages five and six
10 primarily concern your recommendation that the
11 Commission not revisit the rates that have already
12 been established or whether you are also concerned
13 about not setting a rate at all for those elements
14 that we don't already have a rate?

15 A. Well, I hope this is responsive to both
16 parts of that, but I think my previous answer is --
17 is the concern because to the extent that we're
18 talking about revisions, then again the same degree
19 of focus and attention is necessary in order, you
20 know, to get to the bottom of the issues, so to
21 speak, with respect to a rate. And that same
22 effort is needed with respect to any new rate that
23 the Commission might set.

24 Q. Are you suggesting that the Commission
25 simply not adopt a rate at all in these proceedings

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637

Covington, Georgia 30015

(770) 788-2373

1 for the unbundled network elements that came out of
2 the FCC's use and remand order?

3 A. Bear with me just a second, please.

4 MR. TWOMEY: Do you have any extra copy?
5 My copy of his testimony does not have the
6 prices attached. I don't know if you have an
7 extra version of that.

8 MS. BERLIN: Yeah, I have written some on
9 it, though, and it's really minor. And I might
10 be able to scratch it out.

11 MR. TWOMEY: I just want us to talk
12 specifically about some things.

13 MS. BERLIN: Okay. You want the physical
14 and virtual collocation, too? I've a sample,
15 too, and I have the prices.

16 MR. TWOMEY: That's -- I'm more so
17 interested in that. I appreciate it. I don't
18 know if we didn't get a copy or if we...

19 MS. BERLIN: I think that's...

20 THE WITNESS: Can we stop for a minute?

21 MR. TWOMEY: Sure. Thank you very much, I
22 appreciate it.

23 (Whereupon, a break was taken.)

24 BY MR. TWOMEY: (Resuming)

25 Q. Let's take a look at attachment one to

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 your direct.

2 A. All right. I think there was another
3 outstanding question that I was attempting.

4 MR. TWOMEY: What was the last
5 question?

6 (Whereupon, the reporter read from the
7 record.)

8 BY MR. TWOMEY: (Resuming)

9 Q. Now that I've had a chance to review your
10 attachment, I believe you have, in fact,
11 recommended a rate for every element. I believe
12 your -- in one of the earlier filings, whether it
13 was the petition for arbitration itself or one of
14 the matrixes filed by MCI, at least suggested that
15 there be zero rate affixed. You appear to not have
16 -- to not be suggesting that in your testimony.

17 But let me ask you the question. You do
18 agree that there should be a rate for every element
19 that needs to be provided; right?

20 A. Yes, there needs to be a rate. The
21 question of whether it's a -- a final rate that has
22 been reviewed by the Commission or an interim rate,
23 you know, obviously flows into the specific rate
24 recommendation. But, yes, there does need to be a
25 rate.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. Now, in terms of the time and attention
2 that needs to be devoted considering the rates, I
3 will tell you that BellSouth is willing to spend
4 the time in paying attention to the rates that
5 we've proposed in this proceeding including the
6 updated ones, and assuming that the Commission is
7 willing to devote the time and attention to it and
8 MCI is willing to devote time and attention to
9 those issues in this proceeding.

10 A. First of all, the answer to the question
11 is certainly we are. I guess I hesitated a little
12 bit because the issue of time obviously impacts the
13 schedule for the Commission's consideration. And
14 I'm not aware that there has been, you know,
15 sufficient time included in the schedules for the
16 type of review that we were talking about earlier,
17 which is the types of reviews that the Commissions
18 did in the context of the establishment of rates
19 the first go round, if you will.

20 Q. Well, the first go round -- I mean, the
21 key word to me in that sentence is first. What we
22 did in the generic documents was really break
23 ground on understanding what the elements were,
24 understanding the methodology that the Commission
25 wanted to apply and applying those things to come

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 up with rates.

2 Would you generally say that it ought to
3 not take the Commissions as much time and effort
4 this time around to establish these rates given the
5 foundation that was laid in the last proceeding?

6 A. Well, I think the short answer is it
7 depends. Because to the extent that the underlying
8 information that is provided by BellSouth in
9 support of the rates is it utilizes different
10 assumptions or different costing processes or
11 whatever, then it would perhaps take as long for
12 any given element as it did the first -- first go
13 round.

14 To the extent that we're, you know, merely
15 making -- well, let me say it this way. To the
16 extent that the rates proposed are merely building
17 on something that the Commission had previously
18 established, then I would agree that the process
19 would be quite less lengthy.

20 Q. Let's talk about issue three. You would
21 agree with me that the FCC has found that access
22 services are not available for resale even if some
23 end users purchase those services out of tandem --
24 out of the access tandem; correct?

25 A. Generally that is true. Although I don't

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 go so far as to assume that just because something
2 is in the access turf that that necessarily means
3 that it is only an access service.

4 Q. On the other hand, just because some end
5 users purchase the service doesn't make it eligible
6 for resale; correct?

7 A. Well, that's -- I think that's really the
8 heart of the dispute in the proceeding.

9 Q. As far as the FCC's concerned, the fact
10 that some end users purchase its service, that fact
11 alone does not answer the question of whether the
12 service is eligible for resale -- correct -- at the
13 wholesale distribution?

14 A. Generally I believe that that -- well,
15 that -- that may be a fair statement. Again I'd --
16 I'd want to go back and look at the specific
17 provisions to -- to make sure that I've -- I've
18 not, you know, missed something, but generally,
19 yes.

20 MR. TWOMEY: Off the record.

21 (Whereupon, a brief discussion ensued
22 off the record.)

23 BY MR. TWOMEY: (Resuming)

24 Q. Now, your concern about Smart Ring is that
25 its appearance in multiple tariffs raises a

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 question in your mind as to whether it's, in fact,
2 an access service. Is that a fair
3 characterization?

4 A. Yes, it is.

5 Q. Have you reviewed the tariffs, the private
6 line tariff and access tariff to compare them?

7 A. Glanced at them very briefly. I would say
8 I would not consider that to be a complete
9 comparison, no. I'm aware that the service is
10 tariffed in multiple tariffs. I have not done what
11 I would consider to be a careful review of those
12 tariffs to compare the different terms and
13 conditions, for example, in the two tariffs.

14 Q. You know what a USOC is?

15 A. Yes.

16 Q. U -- that's capital U-S-O-C.

17 A. Universal Service Order Code, I believe.

18 Q. Yes, the Universal Service Order Code.
19 The assignment of the same Universal Service Order
20 Code to services appearing in different tariff
21 would be some evidence that it's the same service;
22 correct?

23 A. Some evidence, yes.

24 Q. During Mr. Varner's deposition -- let me
25 back up. Have you had a chance to look at the

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 transcript of Mr. Varner's deposition?

2 A. I have not.

3 Q. Have you had an opportunity to discuss
4 what he said during his deposition with anybody?

5 A. Only very, very briefly.

6 Q. Okay. On this particular issue, Mr.
7 Varner testified that Smart Ring, although the same
8 name is used, is not the same service in one of the
9 tariffs. My question to you is do you have any
10 evidence to contradict him on that?

11 A. Well, not at this time. Again, because I
12 said I have not reviewed the terms and conditions
13 in the two tariffs to make that kind of -- to
14 provide myself the -- the basis that I would need
15 in order to challenge Mr. Varner. I'm not...

16 Q. And he also testified that -- and I
17 believe we actually had copies of the tariff and so
18 forth during his deposition at the use office
19 assigned to the services that were different,
20 different tariffs. Does that information in anyway
21 cause you to change your position?

22 A. Not in and of itself, no.

23 Q. You used Smart Ring as an example of a
24 service which you believe is a -- is the identical
25 service in multiple tariffs. And we disagree

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 whether that's true.

2 But do you have any other examples of
3 situations where you believe there is a same
4 service appearing in multiple tariffs?

5 A. No, not at this time.

6 Q. Let's take a look at the language in the
7 attachment. And if you do not have -- do you have
8 a copy of the agreement?

9 A. No, I don't.

10 Q. Is the section 1.1.1 language that you're
11 proposing in this docket, is that -- let me see if
12 that's correct?

13 MS. BERLIN: It is.

14 BY THE WITNESS: (Resuming)

15 A. Attachment two, yes, it's stated right
16 under the statement of the issue.

17 Q. The first sentence says local resale shall
18 include all telecommunication services offered by
19 BellSouth to parties other than telecommunication
20 carriers regardless of the particular tariff or
21 other method by which the telecommunication
22 services run. Do you see that?

23 A. Yes, I do.

24 Q. Would you agree with me that that language
25 is inconsistent with the FCC's order, at least as

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 to access services, to the extent that you appear
2 to say that if you offer it to any end user, it's
3 got to be available to resale at the wholesale
4 discount?

5 A. No, I'm -- I'm not going to agree that
6 that's inconsistent.

7 Q. Okay. Well, you agreed with me earlier
8 that the FCC found that the fact that a service is
9 made available to an end user is not by itself
10 enough information to determine whether a service
11 is available for resale. Did I misunderstand you?

12 A. Well, perhaps I misspoke. Because I
13 believe what I said was that I could agree with the
14 way that you characterized the FCC's statement but
15 that I would -- that I wasn't comfortable agreeing
16 all the way because I'd need to go back and look at
17 some of the other pronouncements and satisfy myself
18 that it -- it was as cut and dried as the way I
19 believe your question suggested.

20 Q. All right. Let me -- I don't know if you
21 have a copy of Mr. Varner's testimony.

22 A. No, not with me. No.

23 Q. Let me give you pages five and six of his
24 direct testimony filed with the Commission. And
25 he's -- he's reproduced in full but -- and he's

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 reproduced an excerpt from the FCC order on this
2 subject. And it begins on line 17 of page five.
3 Just take a minute to read that. And then I'll ask
4 you a question.

5 A. All right. I've reviewed the provision.

6 Q. Well, let's -- let's go back to the
7 contract language for a second. Would you agree
8 with me that the first sentence that you've
9 proposed in 1.1.1, if adopted, would require
10 BellSouth to provide any service to -- for resale
11 on the sole condition that it was available to any
12 end user and that no other consideration would be
13 made?

14 A. Yes.

15 Q. Do you believe that that language is
16 consistent with what the FCC has said on this
17 subject?

18 A. And -- and my answer is, yes, I do. But
19 obviously I have to -- to qualify that and explain,
20 you know, why I believe that it is.

21 Q. Okay.

22 A. As -- as I read the provisions in the -- I
23 believe that was the first report and order, the
24 local competition order, that was cited by Mr.
25 Varner...

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. That's true.

2 A. -- it appears that the FCC was in -- in
3 that discussion focused on access services that are
4 offered to interexchange carriers that merely are
5 not restricted from being obtained by an end user.
6 I may have said that kind of funny. But that
7 there's no restriction on an end user obtaining
8 that service.

9 The situation obviously that we're
10 concerned about is something I see as a little bit
11 different, which is a service that is provided to
12 end users that somehow is tariffed in the access
13 tariff. And we simply don't view that as a safe
14 harbor, if you will, or any means that should be
15 utilized in order to afford the ability of CLECs
16 such as MCI to obtain the service at a discount.

17 Q. Okay. Well, let's talk about the access
18 service. The access services discussed by the FCC
19 are available to parties other than
20 telecommunications carriers; correct?

21 A. In many states, yes. There is maybe a few
22 that still have restrictions, but generally yes.

23 Q. Wouldn't BellSouth's access services have
24 to be made available for resale if language adopted
25 -- if the language in 1.1.1 proposed by MCI were

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 adopted?

2 A. I'm going to -- I'm going to have to kind
3 of defer -- I mean, I can see that that might be a
4 reading. But I can assure that's not the intention
5 that we have in proposing this language. The
6 intention is to, you know -- as I just said, to
7 preclude BellSouth from utilizing the tariffing of
8 something in the access tariff as a means to avoid
9 what would otherwise be the -- the appropriate
10 resale obligation under the act.

11 Q. So for example, if we have a service that
12 is offered primarily to interchange carriers that
13 some end users could purchase, that's not the kind
14 of service you want made available for resale; is
15 that right?

16 A. Right. That's -- that's what you've just
17 described was sort of the way that I characterized
18 the FCC's thinking as it was looking at the issue
19 that was cited in Mr. Varner's testimony.

20 Q. Okay. But on the other hand, if BellSouth
21 has a service which is primarily offered to end
22 users that is stuck in the access service tariff,
23 that's the circumstance that you want to address
24 with this language; is that right?

25 A. Well, in one sense. The short answer is

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | yes, it is. But I have to kind of qualify that,
2 | too, because of your use of the term primarily.
3 | Because I don't want to get into the situation
4 | where we start having to argue about, you know,
5 | well, we offer this to 49 percent interexchange
6 | carriers and 51 percent end users and whatever.

7 | I mean, again the tariffing of something
8 | in an access tariff shouldn't in and of itself be
9 | grounds to -- to preclude CLECs from obtaining that
10 | service for resale.

11 | Q. But the focus or target of that service
12 | being primarily interexchange carriers would be
13 | enough to preclude it being available for resale;
14 | correct?

15 | A. With my earlier qualification around the
16 | use of the term primary, I -- generally I can agree
17 | with that.

18 | Q. And to the extent the parties are going to
19 | try to handle this issue in the -- in the
20 | agreement, you wouldn't disagree with me that our
21 | language ought to specifically address this
22 | circumstance so that neither your hypothetical
23 | problem is -- is -- comes to fruition nor mine.
24 | Would you agree with that?

25 | A. Yes.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. Okay. Let's go to issue six. Have you
2 had a chance to read the Eighth Circuit's opinion
3 on -- that was issued in July 15th?

4 A. Yes.

5 Q. After reading that decision, do you have
6 any modifications to your testimony at this point?

7 A. I'm sorry. Was that question directed
8 towards just the direct?

9 Q. Or the rebuttal, either one.

10 A. Well, I think I'm not going to change
11 anything in the -- in the direct. Although, you
12 know, obviously that says I haven't read the
13 decision yet.

14 Q. Right.

15 A. And in the rebuttal I say I have. But no.
16 Other than that, no.

17 Q. All right. Let's go to attachment three,
18 2.11. You probably don't need to do that. I'm
19 sure it's in your testimony.

20 A. I don't think it is.

21 Q. Well, in your direct testimony you
22 indicated that it was attachment one, section 1.5.

23 A. Well, we do cite two...

24 Q. -- 2.4.

25 A. -- 2.4, it is.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. Okay. 2.4 says that MCIM's request,
2 BellSouth shall provide typical accommodation of
3 network to MCI. Do you think that language is
4 consistent with the Eighth Circuit's ruling?

5 A. From my layman's reading, yes.

6 Q. All right. Let's go to the last sentence,
7 thus MCI then may order typical combinations of
8 network elements even if the particular network
9 elements being ordered are not actually physically
10 connected at the time the order is placed. Do you
11 think that language is consistent with the Eighth
12 Circuit's ruling?

13 A. Again from my layman's position, yes.

14 Q. And why -- why do you believe that's
15 consistent with what the Eighth Circuit said?

16 A. I guess it wouldn't help to say that I
17 think the Eighth Circuit is wrong, would it?

18 Q. No, that would be fine. I mean, if your
19 position is that you think the Eighth Circuit
20 ruling is wrong or will be reversed or something
21 like that, that would help me understand your
22 position. I'm having trouble understanding why you
23 don't believe it's inconsistent.

24 A. Well, I think there's -- I think the short
25 answer is that there are some differences really as

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 to what the 315 B rule actually requires. 315 B,
2 you know, was reinstated and really wasn't affected
3 by the Eighth Circuit decision, as I understand it.

4 And I think what we're talking about here
5 in issue six is really just the fleshing out of
6 what is required under the 315 B rule.

7 Q. Okay. In his -- I'm going to para -- I'm
8 going to read this. This is from Al Varner's
9 testimony, rebuttal on page six. And I'm going to
10 assume that the quote is correct.

11 A. That's fair.

12 Q. In part, the Eighth Circuit said here
13 Congress -- it says we're referring to section
14 251(C)(3). Here Congress has directly spoken on
15 the issue of who shall combine previously
16 uncombined network elements. It is the requesting
17 carriers who shall combine such elements. It is
18 not the duty of the ILECs to perform the functions
19 necessary to combine unbundled network elements in
20 any manner as required by the FCC's rule.

21 Now, do you think that that language from
22 the Eighth Circuit ruling is consistent with
23 language that you proposed in 2.4, now that I've
24 given you a specific reference of the Eighth
25 Circuit ruling?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. And my answer is based on your reading, I
2 would think that perhaps it is not. But then I
3 would also have to say that it doesn't appear to me
4 to be consistent with what the Supreme Court did in
5 reinstating 315 B.

6 Q. Neither one of us can control what will
7 become of the Eighth Circuit ruling. I just want
8 to make sure I understand what our disagreements
9 are.

10 A. That's fair.

11 Q. And I have the same question about 2.11,
12 which you don't recite but I can give it to you and
13 take a look at it. The first sentence in MCI's
14 proposed language is that BellSouth shall offer
15 each network element individually and that MCIM's
16 request will combine network elements that are not
17 currently combined. I have the same question.

18 Do you think that that language is
19 consistent with the Eighth Circuit's ruling?

20 A. Bear with me for just a second before I
21 respond.

22 Q. Okay. If you need this...

23 A. And the reason I wanted to check something
24 is because in the way that we've presented the --
25 or the way that the issues are set forth in the

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 matrix that we referred to earlier, that really
2 gets us into issue seven.

3 Q. That's -- that's certainly a lot of
4 overlap.

5 A. Yes.

6 Q. That's right. And that's going to be next
7 set of questions.

8 A. Right, I just wanted to make clear that
9 we've kind of made that transition.

10 Q. Well, and maybe that helps me understand.
11 You referred to 2.11 in your rebuttal as
12 encompassing issue six and have an entirely
13 different issue on number seven. And maybe that's
14 -- that's part of my confusion.

15 A. I see the reference in the rebuttal in the
16 statement of the issue of issue six. And I think
17 -- I think that is perhaps an oversight on our
18 part.. And I apologize for that.

19 Q. Well, I'm sure you won't have any trouble
20 finding a similar problem in one of our briefs
21 given the volume of work we're all doing these
22 days. But we can -- to me, issue six and issue
23 seven kind of run together.

24 But we want to make it clear that we're
25 talking about issue seven. My question remains is

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637

Coyington, Georgia 30015

(770) 788-2373

1 do you think that the language that you proposed in
2 2.11, at least the first sentence, is consistent
3 with what the Eighth Circuit has said as of -- as
4 we stand today?

5 A. And -- and that is very clearly where my
6 answer has to be I don't think the Eighth Circuit
7 is correct with respect to that particular issue.
8 Because now -- now, in my mind we're not talking
9 about existing combinations or -- or what we've
10 referred to as typical combinations in the 2.4
11 language that we talked about earlier.

12 But we're talking about a much broader
13 potential range of issues or of potential
14 situations, combination situations.

15 Q. All right. Well, just for the record, I
16 think you said the Eighth Circuit was wrong. I
17 just want to know if you agree that the language
18 that MCI has proposed in 2.11 -- at least the first
19 sentence -- is inconsistent with the Eighth Circuit
20 ruling as we -- as we have it today on that issue?

21 A. And I will respond subject to check here.
22 Just a second.

23 Q. I infer from your statement that you
24 disagree with the Eighth Circuit to be that you can
25 see that it's inconsistent. But I want to make

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 sure that my inference is correct.

2 A. Yes.

3 Q. And you agree with me that the Georgia
4 Commission, at least, specifically said that it
5 would revisit this whole question of combinations
6 of elements once the Eighth Circuit ruled. Mr.
7 Varner referenced that particular order that
8 actually contained that language in his testimony.
9 Do you disagree with that?

10 A. No. I think the order will stand for
11 itself. And to the extent -- and I apologize. I
12 don't have that in front of me. But I have no
13 independent reason sitting here in front of me to
14 take issue with that characterization of the order.

15 Q. Okay. Let's go to issue nine, special
16 construction process.

17 A. I had flipped what was prefiled under Mr.
18 Martinez's name so -- the way mine printed off,
19 issue nine is stated at the bottom of the page and
20 then the text begins at the beginning of the next
21 page. That's a little hard to find. And I don't
22 have a page of this.

23 MS. BERLIN: It starts on page eight. But
24 it says issue nine on page seven.

25 MR. TWOMEY: On page seventeen of my

VERBATIM COURT REPORTERS, INC.

P.O. Box 2537
Covington, Georgia 30015
(770) 788-2373

1 version.

2 MS. BERLIN: Really?

3 MR. TWOMEY: Considerably larger type,
4 apparently.

5 MS. BERLIN: Does it matter?

6 MR. TWOMEY: No, it's because this is the
7 North Carolina.

8 BY THE WITNESS: (Resuming)

9 A. All right.

10 Q. I think the best way to approach this
11 question is for use of a hypothetical. If
12 BellSouth does not have facilities in place to
13 service a new office building that has been
14 constructed. I'm going to assume it's a very small
15 office building and MCI has managed to get the
16 telephone service accounts for everybody in the
17 building.

18 Under those circumstances, what is your
19 understanding or what is your opinion of what
20 BellSouth's obligations would be? Let me be
21 specific, obligation to respond to MCI's request
22 that we extend facilities to a building where there
23 are no facilities to date.

24 A. Bear with me, please.

25 Q. Excuse me. Do you have -- off the record.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 (Whereupon, a brief discussion ensued
2 off the record.)

3 **BY THE WITNESS: (Resuming)**

4 A. The example that you used or the
5 hypothetical that you used is kind of interesting
6 because it appears to have been crafted to get
7 around the point that we were making in my -- or
8 in, I guess now my direct and rebuttal testimony,
9 which is the situation where there is already
10 facilities to the premises and for whatever reason,
11 additional facilities are needed.

12 In the situation that you've asked
13 suggests that BellSouth would be in a position to
14 not provide facilities to that building even though
15 absent -- in your hypothetical absent MCI obtaining
16 the contract to provide the telecommunication
17 services to the tenant that you would have
18 otherwise provided.

19 In other words, taking from your
20 hypothetical that the premises would be within
21 certificated serving territory and that if the end
22 user in that building had called BellSouth and
23 requested service, that BellSouth would have
24 extended facilities and offered whatever services,
25 presumably pursuant to tariff unless there was some

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 reason why special construction were needed because
2 that building, you know, was five miles from the --
3 from the nearest, you know, line or whatever.

4 So again, if we, you know, kind of
5 continue that logic a little bit, I don't think
6 that the fact that MCImetro had obtained the -- the
7 contract, if you will, with the end user would
8 necessarily relieve BellSouth of its obligation to
9 provide the facilities.

10 Q. Well, if there are -- again, we're
11 assuming there are not facilities to the building
12 today. And again assuming that BellSouth would
13 contract with a third party to actually construct
14 the facilities, MCI could easily contract for the
15 construction of the facilities and presumably at
16 the same price that BellSouth could; right?

17 MS. BERLIN: I'd like to object. I think
18 it mischaracterizes -- your question, when
19 you're describing a building that has no
20 facilities to it today is -- it
21 mischaracterizes the original testimony and the
22 hypotheticals used and by Mr. Varner to rebut
23 and by Mr. Price.

24 MR. TWOMEY: Well, I wasn't attempting to
25 characterize any testimony at all. So I don't

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 -- I was characterizing my own hypothetical.
2 So...

3 **BY MR. TWOMEY: (Resuming)**

4 Q. What I'm trying to get at is the language
5 that is in the agreement will -- is necessarily
6 broad and will be applied by the parties in various
7 circumstances, one of which I think could be this
8 one.

9 And I want to know how the agreement, if
10 we adopt it the way MCI adopts it will apply to
11 this kind of a circumstance because the language is
12 very broad.

13 A. And again...

14 Q. That's my question. Assuming that
15 BellSouth has no facilities and BellSouth would
16 have to construct the facilities between its --
17 wherever it's cut off -- wherever its existing
18 facilities terminate and this new building, MCI
19 could clearly have that same sort of facilities
20 installed at its own expense; correct?

21 A. Well, it -- I think as a -- at the highest
22 level, you know, at the 50,000 foot level or
23 whatever, I guess the answer is, yeah, it could.
24 In my mind, that raises a whole host of other
25 questions which is, you know, in what circumstances

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 would MCI have a need to have a little spur
2 facility connecting one building to a network that
3 it doesn't otherwise own and operate. And to me,
4 that doesn't make sense.

5 Whereas what makes a great deal of sense,
6 especially given the fact that the only thing in my
7 mind that's different about the situation that
8 you're describing in BellSouth's eagerness or
9 willingness or whatever to construct that same
10 facility is the fact that one of its competitors
11 won the end user's business at this building that
12 we're -- that we're describing.

13 And I don't see that as sufficient to draw
14 the distinction that BellSouth apparently wants to
15 draw.

16 Q. All right. Well, let's change the
17 hypothetical a little bit. Let's now presume now
18 that it's a -- it's a whole subdivision, 100 houses
19 in it. And MCI has managed to get every single
20 person who is about to move into this brand new
21 subdivision to agree to subscribe to MCI Worldcom
22 for local service. BellSouth has facilities in the
23 area, but none actually going into that
24 subdivision.

25 Under the -- under your -- in your opinion

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | what, obligation would BellSouth have to construct
2 | facilities throughout that neighborhood to serve
3 | MCI Worldcom customers? Assuming obviously that
4 | there are none there today.

5 | **MS. BERLIN:** I object. I believe that
6 | question is broader than the scope of the issue
7 | at hand. The issue at hand has language
8 | proposed by BellSouth for insertion into the
9 | contract. And I don't understand how that
10 | hypothetical relates to BellSouth's proposed
11 | language or our opposition to it.

12 | **MR. TWOMEY:** Are you objecting on
13 | relevancy grounds? Because I believe we've
14 | reserved all the objections except as to the
15 | form of the question until the time of the
16 | hearing. And I don't think there's any
17 | limitation on the scope of the deposition.

18 | **MS. BERLIN:** I think your question's
19 | overly broad, which may not be an appropriate
20 | objection.

21 | **MR. TWOMEY:** I agree.

22 | **MS. BERLIN:** I'll let -- I'll let Mr.
23 | Price answer if he can.

24 | **BY THE WITNESS:** (Resuming)

25 | A. Each of your hypotheticals presents

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 interesting issues because in the case of the
2 subdivision -- I mean, I'm having a hard time
3 understanding how if, you know, 100 or 200 houses,
4 potential houses were out there, how they could be
5 in advance any kind of contractual relationship
6 between MCI and all of the tenants or whatever.

7 I mean, I could see a situation maybe
8 where there was an agreement with the developer,
9 you know, for provision of a whole bunch of
10 different kinds of services to the subdivision.
11 And in my mind, that would present a different set
12 of issues than in your hypothetical. I -- I
13 just...

14 Q. Well, let -- let me change it a little bit
15 because I want this to be meaningful. Let's assume
16 that we have a situation, you know, outside metro
17 Atlanta where the President of MCI is building a
18 new home far away from existing facilities and he's
19 clearly going to subscribe to MCI Worldcom as his
20 local service.

21 And we don't have facilities out there and
22 we had no plan to extend facilities out there. And
23 he calls MCI Worldcom for local service and MCI
24 Worldcom calls us and says we need some facilities
25 out there.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 finding the words that I'm looking for -- but to
2 the extent that there was anything that needed to
3 be done to make sure that that information is
4 readily readable across the different division or
5 different regions in the country, my understanding
6 is that we would handle that as part of the
7 insertion of the data stream into our data base.

8 Q. Right. I mean, you've raised at least two
9 issues. And that is the complexity of -- of trying
10 to manage all this information and then the
11 potential delays in call setup. If you get a
12 single standard -- standardized data base for MCI
13 Worldcom located somewhere in the country you will
14 have to accept data in potentially different
15 formats from a variety of ILECs; correct?

16 A. Potentially different formats and
17 unfortunately I don't know whether that's true or
18 not, but potentially, yes.

19 Q. And then standardize that information in
20 some way and have it all in a single data base
21 accessible to your SS7 networks; right?

22 A. Correct.

23 Q. Help me understand the difference, if
24 there is one, between the parties position. Is it
25 MCI Worldcom's position that BellSouth has an

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 obligation under the Act to provide you with a
2 download of CNAM or -- and I realize it's a
3 compound question -- or are you seeking this
4 information because it would be more useful to you
5 in this format?

6 A. And -- and my way of responding would be
7 to say that we believe that the obligation that
8 BellSouth has under the Act and FCC rules does not
9 allow BellSouth to dictate the means by which the
10 CLECs have access to the information.

11 And that we have looked at the dip by dip
12 approach and compared it to what it would mean to
13 us in terms of having that information in our own
14 systems and believe that it would be far
15 preferable, in terms of your ability to deliver
16 high quality to our end users, if we could access
17 that information on our own system as opposed to
18 through a query on a call by call basis back into
19 BellSouth's system.

20 Q. Is it your testimony that if the
21 Commission does not order BellSouth -- oh, excuse
22 me. Is it your testimony that if the Commission
23 orders BellSouth to provide this information to you
24 on a dip by dip basis that you will be unable to
25 provide local service?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. I'm -- I'm assuming when you say unable to
2 provide local service that you don't mean
3 completely from a closed from offering services.
4 And, no, I'm not testifying to that.

5 I'm saying that our ability to do so would
6 be diminished by virtue of the additional delay
7 into our other degradation of the service that we
8 would offer with respect to the delivery of calling
9 party name.

10 Q. Okay. And we've -- you've already
11 testified that you haven't actually quantified what
12 the potential delay could be. What other potential
13 examples of degraded service can you provide me
14 with?

15 A. Actually, I may have seen some information
16 that provides estimates of the additional length of
17 time that is needed. I don't believe I have it.
18 I'm certain I don't have that information with me
19 but I may have seen some estimates of the length of
20 time, the additional delay time, that would be
21 created.

22 Q. Who would have prepared those estimates?

23 A. I'm trying to remember the name of the
24 organization. It's the organization that is
25 responsible for the delivery of directory

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 assistance and would be responsible for maintaining
2 the data base for calling party name.

3 MR. TWOMEY: I'd like to get a copy of the
4 -- whatever information he has reviewed on this
5 question of possible delays. If you could
6 provide me with a copy. I mean I can...

7 MS. BERLIN: Don, do you think it was --
8 was it a document or was it a mailing.

9 THE WITNESS: I know for sure I got an e-
10 mail that had -- it was forwarded to me that
11 has some estimates that were provided on -- and
12 there may also be a diagram that was provided
13 that shows the -- what am I trying to say --
14 the additional complexity in terms of SS7
15 signaling links and those sorts of things that
16 I described.

17 MR. TWOMEY: All right. I am at a
18 convenient breaking point. Do you want to take
19 a 30 minute break, come back at 12:30.

20 (Whereupon, a lunch break was taken.)

21 MR. TWOMEY: Let's go back on the record.

22 BY MR. TWOMEY: (Resuming)

23 Q. It's my understanding, Mr. Price, that
24 during the break you were able to locate the
25 documentation regarding the CNAM issue. And did

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 you, in fact, have an opportunity to look at that
2 information?

3 A. Briefly, yes. I was able to refresh my
4 memory.

5 Q. Does the information contain any specific
6 findings by Worldcom regarding the amount of time
7 that will be added to call processing?

8 A. It does not.

9 Q. Okay. Let's go to issue 29. Let's get
10 the easy question out of the way. What does e.g.
11 mean to you when you're writing, e, period, g,
12 period?

13 A. For example.

14 Q. For example, okay. The language which you
15 have proposed in issue 29 at attachment four,
16 section 1.1.1 says BellSouth shall not require MCIM
17 to establish trunks for local interconnection to
18 points other than the point of interconnection
19 because of a particular service offered by
20 BellSouth to its customers, e.g. UniServe or Zip
21 Connect.

22 BellSouth has understood the proposed
23 language to be not limited to UniServe and Zip
24 Connect. And you have taken issue with that and
25 have stated at page 20 to rebuttal, the language,

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 only addresses BellSouth to UniServe and Zip
2 Connect. In reviewing the language proposed by MCI
3 Worldcom, can you at least give some credence to
4 BellSouth's concern that it's not limited?

5 A. Do I have to?

6 Q. Yes.

7 A. I was kidding. I meant did I have to lend
8 credence.

9 Q. I understood the question that way and
10 that's why I said yes.

11 A. Well, I think the short answer is yes. I
12 can understand the concern. Again similar to
13 discussions that we had this morning, it would be
14 my understanding that the use of the e, period, g,
15 period in the parenthetical at the language
16 proposed by Worldcom in attachment for 1.1.1 is
17 because of the potential for BellSouth to offer in
18 the future other services that would impose a
19 similar obligation on Worldcom to do -- to
20 configure the interconnection trunks in such a way
21 as to accommodate BellSouth's retail services
22 which, obviously, we take issue with.

23 Q. Okay. And I think -- I appreciate that.
24 I think all I want to confirm is that the issues
25 raised by MCI Worldcom with respect to issue 29 go

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 What do you -- what is your understanding
2 of the obligations that BellSouth would have under
3 those circumstances?

4 A. Generally I think my understanding of the
5 obligations are in -- in line with the obligations
6 that BellSouth would otherwise have. In other
7 words, if we're assuming a situation where if
8 BellSouth were getting the business, that special
9 construction would apply because of the special
10 construction factors that are listed in BellSouth's
11 tariff, you know, are applicable, then you know
12 that creates a different situation.

13 If we're talking about the type of
14 facilities that would normally be run -- and again
15 reusing the absence, you know, the absence of the
16 spare distribution pair as the -- as our example,
17 then I don't understand why BellSouth would want to
18 impose special construction in that instance.

19 So I -- I can draw the line in my mind at
20 the same point that would otherwise apply within
21 BellSouth's special construction tariff. In other
22 words, if special construction doesn't otherwise
23 apply, I don't know why special construction should
24 be previewed just because of a lack of facilities
25 caused by the order placed by MCI.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. So the example that you're at least
2 thinking of in your testimony though was the
3 running of additional facilities to a -- to a
4 location where facilities already exist? That's an
5 example that you think BellSouth would have an
6 obligation to -- to provide the additional
7 facilities and then use whatever special
8 construction factors it normally would use in
9 determining where to assess charges; is that right?

10 A. Let me see if I can break it into two
11 different scenarios. One scenario would be the
12 residence or business premises where the second
13 line is ordered. There's maybe a shortage in the
14 distribution cable in that -- in that area that
15 causes BellSouth to be unable to meet that order
16 immediately.

17 In my view, BellSouth would have an
18 obligation as, you know, as a telecommunications
19 carrier to manage its network and to augment those
20 facilities because obviously -- and if the next --
21 if the guy next door in the next building asked for
22 a second line from BellSouth, BellSouth would
23 provide the augmented distribution cable.

24 So I don't see the distinction in -- in
25 that situation. The other -- the other situation

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 would be ordering facilities of the type not
2 normally -- not normally used. I mean if -- if we
3 had a small business that for some reason decided
4 that they needed an OC 12, you know, fiber
5 capacity, then I could see why a special
6 construction would be applicable there because
7 typically BellSouth wouldn't be providing fiber,
8 you know, right up to the premises at a small
9 business in a strip mall for example.

10 Q. So MCI or Worldcom is willing to pay
11 special construction charges in any circumstance
12 where BellSouth would assess special construction
13 charges to its own end users, assuming we use the
14 same criteria. Is that a fair statement?

15 A. I -- I think the -- yes, I think that's
16 right.

17 Q. And what you want to avoid is having
18 special construction charges assessed when there
19 are new or additional facilities being installed
20 and the only purpose or the only reason for
21 assessing special construction charges is that it's
22 an MCI Worldcom end user?

23 A. Yes, or a request for. Yes.

24 Q. Now, MCI Worldcom obtains the contract for
25 telecommunications services to a particular

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 building housing one single business tenant that
2 subscribes to MCI Worldcom services for ten years
3 into the future.

4 Is it your understanding that the Act
5 would require BellSouth to upgrade those facilities
6 and provide additional services or whatever other
7 network equipment MCI Worldcom would request at no
8 additional charge as though it were a BellSouth
9 customer?

10 A. I guess as a preliminary part of my
11 answer, I'd have to say that I'd definitely
12 disagree with Mr. Varner's characterization of the
13 pricing aspects of the recent Eighth Circuit
14 decision as -- as having broad applicability of the
15 sort that we're talking about here. Because I
16 don't -- I don't see anywhere near as much in that
17 decision as what he would like to read into the
18 thing.

19 And -- and the reason I think the problem
20 that I have with that reading is that it somehow
21 assumes that BellSouth's network is something that
22 is rather static and that can be sort of glimpsed,
23 if you will, in a snapshot and that you can kind of
24 freeze things in the network. And then assume
25 causality for the things that need to be done to

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 the snapshot.

2 And I have a real hard time with that
3 because, A, the network's not static; it's
4 extremely dynamic. BellSouth is for a number of
5 reasons doing all kinds of things to its network on
6 a daily basis as it should. And to try to force
7 this kind of -- of we're not required to do
8 anything other what we've got today in the ground
9 to me is really -- it's really problematic, both in
10 concept and in operation. Because I don't know how
11 you would administer that kind of view of the
12 network where, you know, you have a particular
13 cable or particular fiber or something and this is
14 historic.

15 And, you know, something else is future
16 and you know your obligations over the one are
17 different than your obligations over the other. I
18 just have a real hard time with -- with that whole
19 concept.

20 Q. Obviously I think Mr. Varner's relying on
21 the language of the Eighth Circuit ruling
22 concerning existing network. And I guess my
23 question to you is at least one of the purposes of
24 the Act was to try to take into consideration the
25 fact that duplicating BellSouth's existing network

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 would be prohibitively expensive for a competitor;
2 correct?

3 A. If -- if by saying the purpose of the Act
4 we include all the FCC rulings on it, yes.

5 Q. But running -- in my original hypothetical
6 under this issue because the new building to which
7 no facilities even run, the incremental cost, if
8 you will, of -- of laying whatever facilities need
9 to be placed between BellSouth's network and that
10 new building, those costs should be the same for
11 MCI Worldcom as they are for BellSouth; correct?

12 A. At the highest level, yes. But, again, my
13 concern with that particular hypothetical was the
14 fact that BellSouth obviously has facilities
15 nearby. And we're talking about a spur and
16 extension of those existing facilities for
17 BellSouth. Whereas for MCI, it might mean a spur
18 that goes from a building to essentially, you know,
19 BellSouth's network. And that, in my mind, is not
20 the way that MCI would want to manage its network.

21 Now, if the hypothetical were different
22 and we had facilities nearby, I can assure you that
23 it would be our preference to -- to build those
24 facilities in the case where we saw sufficient
25 volume for -- I mean, if we're talking about a

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 fiber spur, for example, and getting somebody on
2 our network because obviously that gives us control
3 over the network. And there's a lot of reasons why
4 that would be to our advantage.

5 But in the situation where we would build
6 the spur to connect to your network, I just don't
7 believe that would be feasible from a -- an
8 operational standpoint from the operation of the
9 network and the financial implications of that.

10 Q. I'm -- I'm not an engineer. But if we're
11 running -- if we're talking about a new office
12 building, we're just talking about distribution
13 centers; right, if there's an existing BellSouth
14 network in the neighborhood?

15 A. Well, that's a good question. I mean, it
16 depends on the forecasted demand as to how you
17 would feed that, whether it would be fiber and high
18 capacity equipment or whether it would just be a
19 copper for distribution. I was assuming, because
20 we were talking initially as if it were a
21 relatively small customer, someone without, you
22 know, big or significant demands for
23 telecommunication services that we were talking
24 about copper.

25 And that, that again, is another reason

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | why it would be less likely for MCI to do the --
2 | the build, if you will. Because for the most part,
3 | we don't deploy copper in our network. We have an
4 | all fiber network. And just for the record, I'm
5 | not an engineer either.

6 | Q. Let's go to issue 18.

7 | A. All right.

8 | Q. Okay. I don't know if you -- is this one
9 | of the ones you adopted from Mr. Martinez's
10 | testimony?

11 | A. Yes.

12 | MS. BERLIN: It is.

13 | BY MR. TWOMEY: (Resuming)

14 | Q. Okay. Let's see if he -- do you have a
15 | copy of his testimony?

16 | A. Yes, I do.

17 | Q. Did he reproduce the proposed language in
18 | his direct?

19 | A. There was a...

20 | Q. Section...

21 | A. -- 10.1.

22 | Q. Yeah, 10.1 of section three, do you have
23 | that attachment with you?

24 | A. Yes.

25 | Q. Okay. All right. Just help me understand

VERBATIM COURT REPORTERS, INC.

P.O. Box 2537
Covington, Georgia 30015
(770) 788-2373

1 your testimony. On page 14 of your rebuttal...

2 A. All right.

3 Q. You say the language proposed by Worldcom
4 is consistent with that limitation, which is the
5 limitation referred to in the question, because it
6 does not purport to require BellSouth to build new
7 transport facilities for Worldcom. Do you see that
8 on lines four through six?

9 A. Yes.

10 Q. In section 10.1, one, the second sentence,
11 at MCIM's and a third party carrier's request,
12 BellSouth shall provide local channel dedicated
13 interoffice transport dedicated between MCIM and
14 the third party carrier.

15 I have to tell you that that language in
16 the proposal which you have does not appear to me
17 to be limited in the way that you've suggested in
18 the testimony. And let me -- my question, I guess,
19 is would be do you agree that it does not -- it's
20 not expressly limited in the -- in the way that you
21 described in the testimony?

22 A. Yes, I can agree with that, that that
23 limitation is certainly not apparent.

24 Q. Would you agree -- I don't know whether we
25 can resolve the issue or not, but that at a

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 minimum, would MCIM be willing to put language in
2 the agreement which said something to the effect
3 of, you know, nothing in this provision shall
4 require BellSouth to build new facilities where
5 none exist or words to that effect?

6 A. Yes, I think so.

7 (Whereupon, a brief pause ensued.)

8 **BY MR. TWOMEY: (Resuming)**

9 Q. It's your testimony and opinion presumably
10 that BellSouth has an obligation to provide
11 transport facilities between MCI Worldcom and a
12 third party; is that right?

13 A. Yeah.

14 Q. What's the basis for your opinion?

15 A. The basis would be the 319 D rule in the
16 definition of dedicated transport.

17 Q. Now given our, I think, our clearing up of
18 the question of new facilities, is -- you would
19 agree with me that our obligation to unbundle in
20 such transport facilities would only arise in a
21 circumstance where BellSouth already had transport
22 facilities in place between MCI Worldcom and the
23 third party; is that right?

24 A. Generally, yes. And, again, the only
25 hesitation I would have would be where -- you used

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 the term already and again, you know, with the
2 comments that I made earlier about the dynamic
3 nature of the network. I mean, that situation
4 would change from time to time because BellSouth is
5 deploying new fiber presumably on a -- on a regular
6 basis and might in the future have facilities
7 between two points where facilities don't exist
8 today. But with that qualification, yes.

9 Q. Obviously. And when I say already, what I
10 mean is at the time of the request the facilities
11 are already in place.

12 A. Understood and agreed.

13 MR. TWOMEY: You know, I generally
14 like to take a break every hour to give
15 the witness a break. And we haven't done
16 that. I apologize. Want to take a two
17 minute break at this time?

18 THE DEPONENT: Yeah.

19 (Whereupon, a break was taken.)

20 BY MR. TWOMEY: (Resuming)

21 Q. Yeah, I'm not sure I understand what our
22 dispute is here. On the issue, the sub issue, of
23 this part is the two nodes on the same MCI network.
24 That's part, another part, of this issue 18?

25 A. I would agree.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. And in -- in Al's testimony on pages 13
2 and 14, he says it is highly unlikely that
3 BellSouth will have the existing facilities
4 directly between two points on MCI's network or
5 between MCI's network and the network of another
6 carrier other than BellSouth. If in the unlikely
7 event BellSouth facilities currently exist for
8 BellSouth's use between points on MCI's network or
9 MCI's requesting dedicated transport, BellSouth
10 would provide MCI to access such facilities.

11 Can you tell me why we still have a
12 disagreement? Is it the BellSouth use of the
13 facilities that's causing the agreement -- the
14 disagreement, excuse me? Let me show you his
15 testimony.

16 A. Please, yes, I think that would be
17 helpful. And you're reading?

18 Q. I was reading, I guess, at the bottom of
19 that page 13.

20 A. Highly unlikely, okay. I -- I think
21 perhaps the phrase that you mentioned for
22 BellSouth's use is -- is a potential sticking
23 point. And then with the discussion in mind that
24 we had earlier about -- I mean, using the term
25 currently exists and then I think earlier, you

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 know, we talked around the potential use of the
2 phrase, you know at the time of the orders or
3 something, in order to minimize the potential for
4 changes between now and then.

5 Q. I mean, I would certainly think that I'm
6 authorized to say that at least on this question of
7 unbundled facilities, if we have existing
8 facilities at the time of the order, we're not
9 going to say, well, we didn't have them on the day
10 that Al filed his testimony and therefore you can't
11 have them.

12 Al has testified that -- Mr. Varner has
13 testified that the -- his -- his understanding of
14 the FCC rules is that if we've got facilities in
15 place that we're using to provide BellSouth service
16 and you have a need for those services to be
17 unbundled, that those are -- that's a circumstance
18 where we'll provide unbundled access.

19 A. Unbundled dedicated transport to be
20 specific.

21 Q. Unbundled dedicated transport, right. And
22 I think all the limitations that were going back
23 and forth really get to the same issue and that is
24 do we have to build new transport facilities
25 between two nodes in an MCI Metro network. And the

VERBATIM COURT REPORTERS, INC.

P.O. Box 2537
Covington, Georgia 30015
(770) 788-2373

1 answer to that question is no. And you'd agree
2 with that; right?

3 A. I would and, in fact, that's included in
4 my rebuttal testimony.

5 Q. Okay. Well, let me just use an example.
6 If we've got unbundled transport facilities between
7 an MCI point in Metro Atlanta and BellSouth's
8 network in Metro Atlanta, okay.

9 A. I'm sorry. Start over.

10 Q. Assume we have Bell -- we have transport
11 facilities between a BellSouth location in Atlanta
12 and an MCI location in Atlanta.

13 A. Okay.

14 Q. We've got unbundled transport facilities
15 between an MCI location in Miami and a BellSouth
16 location in Miami. It's not your testimony, is it,
17 that we would have to transport calls between Miami
18 and Atlanta just because there's BellSouth stuff in
19 between and we've got MCI facilities on either end.
20 That's not -- that's not the position you take?

21 A. Absolutely not.

22 Q. And I've used an example of interstate
23 calls, but I can use that example even if we're
24 talking about west Atlanta and east Atlanta.
25 That's -- that's not what you're seeking in this

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 case?

2 A. No, what -- what we're seeking is -- is,
3 you know, generally straightforward, which is where
4 transport facilities exist -- it does not have to
5 be between MCI switches or -- or, you know, there
6 -- there doesn't need to be anything particularly
7 magic about the way in which or the type of
8 equipment that's used at the MCI facilities or even
9 if there's another carrier involved.

10 If there's transport facilities there and
11 we wish to use that transport in order to, you
12 know, to add, to augment, you know and whatever, to
13 offer telecommunications in some manner, then that
14 should be available to us.

15 Q. And you would -- would you agree that the
16 facilities, when we use that phrase, would have to
17 already be being used for transport as opposed to
18 some other network function?

19 A. I -- no, I'm not comfortable with that.
20 And the reason that I'm not is because the
21 terminology is really more of a tariff holdover as
22 opposed to anything that has to do with the
23 technology or the engineering or the way the
24 network is actually operated.

25 So I mean, there could be a SONNET Ring

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 for example that BellSouth is using for end user
2 services or whatever. And transport could be
3 provided over that Ring as easily as any number of
4 other services. So I don't want to impose a kind
5 of a tariff restriction, if you will, over -- over
6 this discussion.

7 Q. Okay. And I think that may be where we're
8 having a disagreement. It's your position that if
9 there were network facilities in place, physically,
10 that connect two points on MCI Metro's...

11 A. That would be used to connect two points.

12 Q. That would be used to provide, to connect
13 two points on MCI's network and those network
14 facilities, whatever they are, are capable of
15 providing the transport function, you would say
16 that you would be entitled to unbundled transport
17 between those points; is that right?

18 A. Yes.

19 Q. And that's irrespective of whether those
20 facilities are being utilized today to provide the
21 transport function in the network; right?

22 A. Yes.

23 Q. Okay. What is the dispute as you
24 understand it in issue 22? This may be one that
25 Mr. Martinez has some issues here.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. Yes, it is. It's page 26 of his direct.
2 I think the biggest part of the dispute, if not the
3 only part, is an interpretation of the -- of
4 BellSouth's obligation to allow a data CLEC to
5 provide a broadband service to an end user at the
6 same time that MCI is using that same loop facility
7 in combination with a switch port to provide a
8 basic service.

9 In other words, it involves whether or not
10 BellSouth no longer has an obligation to provide
11 line sharing simply because BellSouth is no longer
12 the provider of basic service to the end user using
13 the switch port and loop combination.

14 Q. Would you agree with me that that's an
15 issue that the FCC has addressed?

16 A. It's not clear. I've -- there's some
17 ambiguity, I believe, in the line sharing decision.
18 And I believe that it's not -- it's not my sense
19 that the FCC intended to foreclose the use of line
20 sharing.

21 And there may be some additional issues
22 around that that don't exist in the situation where
23 BellSouth is the retail provider to the end user.
24 But it's not my understanding that the FCC intended
25 to completely foreclose that opportunity from CLECs

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 and/or data CLECs.

2 Q. I'm looking for the language. The
3 contract doesn't have or appear to have the
4 language or the copy of the contract that I have.
5 Do you have a -- is the proposed language set forth
6 in Mr. Martinez's agreement -- filing?

7 A. No, there's a reference at fifteen and
8 sixteen of my rebuttal to the fact that we had
9 submitted language that had apparently been agreed
10 to by BellSouth and COVAD and that we were awaiting
11 the response from BellSouth on -- on that language.

12 Q. Yeah, but the reference to 14.1 is not
13 correct. Well, in general it's Al's, Mr. Varner's
14 testimony that our language doesn't comply with the
15 FCC order. It's your proposal that it does and
16 we'll just sort that out at the hearing if we don't
17 settle before then. Okay.

18 Issue 23 appears to me to be very similar
19 issue eighteen in terms of what is -- what's in
20 dispute at least between the parties.

21 A. I agree.

22 Q. I would say there's no disagreement
23 between the parties that we have an obligation to
24 provide you in the perfect circumstances unbundled
25 dedicated transport whether or not it's over a

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 SONNET Ring. The parties don't seem to disagree on
2 that point. Do you agree with that?

3 A. Based on our discussions previously this
4 morning, yes.

5 Q. Well, even based on Mr. Varner's testimony
6 I believe he said -- his characterization of
7 BellSouth's obligation is to provide you with the
8 unbundled transport. The fact that it's over a
9 SONNET Ring doesn't diminish our obligations in
10 that regard. Did you understand him to be saying
11 that?

12 A. I'll accept your representation of that
13 for purposes of these questions.

14 Q. For example, on lines ten through thirteen
15 of page seventeen of his testimony, Mr. Varner says
16 BellSouth provides DS-1, DS-3 or any other existing
17 transport links on an unbundled basis throughout
18 its existing network regardless of whether or not
19 those links are a provision over a SONNET Ring.

20 A. I recall that now that you mention it.

21 Q. Now, you want unbundled access to the
22 SONNET Ring itself; correct?

23 A. Yes, because of the additional
24 capabilities for delivery of service and because of
25 the more robust qualities that are associated with

VERBATIM COURT REPORTERS, INC.

P.O. Box 2537
Covington, Georgia 30015
(770) 788-2373

1 SONNET. Those are preferable where available to a
2 point to point transport arrangement.

3 Q. Now setting aside the issue of unbundled
4 transport, of which I don't believe the parties
5 have a disagreement with as it relates to this
6 issue, is there anything in the FCC order that
7 talks about unbundling a SONNET Ring, you know, as
8 distinct from unbundling transport?

9 A. As I understand the FCC's definition of
10 transport -- and I'd have to go back and look at it
11 more carefully perhaps -- but that definition of
12 transport would include access to the SONNET Rings
13 where they exist.

14 Q. Well, and I want to be clear that I
15 understand what the issue is here. We're
16 unbundling transport. If it happens to be over a
17 SONNET Ring, I don't believe the parties have a
18 disagreement; correct?

19 A. I believe that's -- that's a fair
20 characterization.

21 Q. And help me if you can. It's your
22 understanding that when the FCC talks about
23 unbundled transport, it's talking about something
24 more than unbundled transport over a SONNET Ring?

25 A. No, and I apologize if that was the

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 inference that I gave in my prior answer. What I
2 was trying to say is that in the definition of
3 transport, it's my understanding that the FCC's
4 definition would include SONNET Rings as part of
5 the unbundling obligation that BellSouth would have
6 for transport.

7 Q. Well, help me understand this, that when
8 you request unbundled transport from BellSouth, you
9 will come to BellSouth and say I have a point here
10 on the network and I have a point there on the
11 network. And I need transport between those
12 points. Isn't that what you would request?

13 A. In given -- at least in part, yes.

14 Q. And you may specify the performance levels
15 you need of the transport, the speed or the
16 capacity or whatever. But you're going to
17 designate points on the network between which you
18 need transport; right?

19 A. Correct.

20 Q. And if BellSouth's response to that
21 request is, sure, fine, we're providing you the
22 transport facilities and, oh, by the way, it
23 happens to be over a SONNET Ring, hasn't BellSouth
24 fulfilled its obligations to you to unbundle
25 transport?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. In that example, yes.

2 Q. Now, is it your understanding and is it
3 your proposal here that MCI could come to BellSouth
4 and say I want a SONNET Ring, I want you to
5 unbundle a SONNET Ring?

6 A. I guess my -- the way that I would phrase
7 it would be that the request would be -- again, to
8 use your example, I need transport between point A
9 and point B and I would like for that to be
10 provided in a SONNET architecture.

11 Q. All right. And BellSouth will respond to
12 that by either saying SONNET architecture is in
13 place, you know, is available between those two
14 facilities. And I think Mr. Varner said in which
15 case we'll give it to you. Or SONNET Ring
16 architecture is not currently, as of the time that
17 you submitted your request, available to provide
18 transport between those two facilities. In which
19 case, I believe you would not request that we
20 construct it.

21 A. The term construction in my mind suggests
22 that there are no fibers there that could be used
23 in a manner as to create a SONNET Ring. Whereas if
24 we're talking about the placing of electronics on
25 an existing fiber to provide that SONNET

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 architecture, then I don't view that as
2 construction and I don't view that as inconsistent
3 with the FCC's requirements for unbundling -- for
4 unbundled transport.

5 Q. What exactly is a SONNET Ring?

6 A. Well, you're going to test my layman's
7 knowledge of engineering terms, but it's a
8 synchronous optical network. And generally the
9 reason they're are called rings is because the
10 architecture is not limited -- well, it goes beyond
11 a point A to point B by virtue of having separate
12 paths in a self healing and restoration capability.

13 Typically you have two paths between point
14 A and point B. And if you think of it, you know,
15 as a circle with point A on one side of the circle
16 and point B on the other side, you've essentially
17 got redundancy because the light will pass between
18 the fiber optic terminals on -- on both sides of
19 the circle in one direction.

20 And if at such time there is a back hold
21 or some failure of one of the fibers, then those
22 terminals on the fiber would have the ability to
23 reroute the traffic over the part that hadn't
24 failed, the fiber that hadn't failed, in almost
25 real time manner so that service interruption is

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | kept to a bare minimum.

2 | Q. And using the circle analogy, the light
3 | might be traveling in a clockwise direction and
4 | experience a failure. And it would immediately be
5 | rerouted over a counter clockwise direction to get
6 | to the point?

7 | A. Yes. And the point really -- and I'm
8 | using that term as I think you intended it. The
9 | point is really the getting off and getting on
10 | points of those two fiber optic terminals that in
11 | my mind's eye I'm thinking in the left and right
12 | sides of the circle.

13 | Q. All right. Now, so if BellSouth has fiber
14 | facilities between two points on its network but
15 | does not have the additional electronics in place
16 | for it to function as a SONNET Ring, it's your
17 | position that MCI could request unbundled transport
18 | between those facilities as well as request that
19 | whatever electronics would be needed should be
20 | installed to make that transport function with
21 | SONNET technology; is that right?

22 | A. Yes.

23 | Q. And what is the source -- and in your --
24 | your only source for that opinion is the FCC's
25 | requirement that BellSouth provide unbundled

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 transport?

2 A. Including Ring transport architectures.

3 Q. In having a SONNET Ring architecture, it's
4 not necessary that there be more than two points on
5 the -- for the transport, is there?

6 A. Actually two points is I think a minimum
7 on a SONNET Ring. You may well want additional
8 nodes on that ring in order to be able to provision
9 services over that -- that ring from multiple
10 points other than just the -- the A and the B
11 points, if you will.

12 Q. And my question was you don't have to have
13 more than two, do you?

14 A. No. I think not.

15 Q. Well, help me with 10.2.3, which is one of
16 the language here. Do you -- I don't know if you
17 have it in the testimony. If you don't, it's right
18 here. That's one of the proposed language that
19 we're struggling with. Take a second to read that.
20 Have you had a chance to read that?

21 A. Yes.

22 Q. One of the language here that I'm having
23 trouble understanding in light of your testimony is
24 that if a SONNET system is not available, BellSouth
25 shall utilize its special construction process to

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 determine the additional costs required to provide
2 one of those options or to construct the plant
3 necessary to provide the SONNET system.

4 What type of construction are you
5 envisioning in that language if it's not the
6 placing of the electronics on the fiber?

7 A. I would -- I would see it as limited to
8 the placement of the electronics. Again, we've
9 already agreed that BellSouth's obligation does not
10 -- does not include the placing of new fiber to
11 points where that fiber didn't already exist.

12 So I mean, in my mind -- in my layman's
13 understanding of the engineering there's only two
14 pieces that are needed. One is the physical
15 transport medium, which is the fiber and the other
16 is the electronics or the fiber optic terminal.

17 Q. Well, I may have misheard you, but I
18 thought a little while ago you said that you
19 wouldn't characterize the adding of the electronics
20 as construction, as additional construction by
21 BellSouth. Did I mishear you?

22 A. I may have used those words. I -- I think
23 what I was trying to do is to distinguish between
24 the construction of the transport medium, the
25 fiber, because we've already agreed that that

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 should not be an obligation, and what is necessary
2 to make that transport medium SONNET capable.

3 Q. Okay. But based on the language here, the
4 placing of the electronics to make that medium
5 SONNET capable is construction; correct, because
6 you've -- you've talked about the special
7 construction process being invoked?

8 A. It would seem that that's the way it's
9 being used there, yes.

10 Q. And this type of construction, at least as
11 it relates to SONNET Rings, is something you
12 believe BellSouth would have to do, although it's
13 something BellSouth would have to do at your
14 request; right?

15 A. That's -- it's my understanding that's the
16 dispute between the parties, is to whether that
17 obligation exists or should exist.

18 Q. Well, you -- I'm not sure I understand the
19 distinction you're making. If -- and in very
20 simplistic terms -- would the construction involved
21 in a SONNET Ring is A, the fiber medium, and B, the
22 electronics? I'm having trouble understanding why
23 you would agree we don't have to do the
24 construction as it relates to the fiber medium but
25 we do have to do the construction at your request

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 as it relates to the electronics. Can you just
2 explain the distinction that you're making?

3 A. I don't know if this is particularly
4 helpful but the -- I mean the fact is that fiber is
5 subject to being upgraded and utilized in a more
6 efficient and in a -- in a different rate, a better
7 manner if you will, by virtue of the type of
8 electronics that are placed on there.

9 And so while -- while the term
10 construction, you know, may be used in that -- in
11 that phrase there it may be merely the changing out
12 of a -- of a card. They're using a different type
13 of device than what is already used where fiber is
14 already in place that -- that creates that SONNET
15 capability.

16 And, again, we're pushing the limits of my
17 understanding of the engineering. But it -- in my
18 mind there's big difference between the changing
19 out of some electronics on a transmission medium
20 that's already there, an obligation that we would
21 be able to impose on BellSouth that says you've got
22 to plow fiber in the ground or, you know, lay fiber
23 for twelve miles between point A and Point B.
24 That's a -- that's a much different kind of -- and
25 more onerous obligation that we've already agreed

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 BellSouth does not -- does not have.

2 Q. So does your right to require BellSouth to
3 do construction depend on the degree of work
4 involved in the project? And for example, you said
5 there was a difference between upgrading a card and
6 plowing, you know, twelve miles of additional
7 facilities.

8 Would you make that same distinction if
9 you were only asking us to install fiber between
10 two buildings downtown as opposed to putting in 500
11 yard loop?

12 A. No, I think -- I think the problem that
13 we're having is that the term construction is a
14 term that's used in the telephone industry in
15 different ways in different departments. For
16 example like, you know, the planning group may view
17 a construction job as something that's no more than
18 going out and changing out a line card.

19 And I think the problem that we're having
20 is trying to understand how that term relates to
21 some legal obligations that might flow out of the
22 FCC's, you know, orders around the Act and all.
23 And it's difficult.

24 So, yeah, I think there is a difference in
25 degree. And the problem that we're having is with

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 this term that's used in different ways in
2 different parts of the business or perhaps by the
3 decision makers in ways that other parts of the
4 business may not recognize.

5 Q. And just to be clear, the use of the term
6 construction in 10.2.3 is MCI's proposed language;
7 correct?

8 A. Well, and it's -- it's in keeping with a
9 particular process that is understood by BellSouth
10 to mean the placing of -- of some equipment and
11 whatever that -- that -- that allows BellSouth to
12 recover up front pretty much whatever its cost of
13 putting -- putting those facilities in -- in place
14 or doing that upgrade would be. As opposed to
15 simply saying you have an obligation to put this
16 and, oh, yeah, I'm going to pay you, you know,
17 \$47.37 a month pursuant to the DS1 Transport Rate
18 in the -- in the Georgia Costing Decision.

19 So again -- again the term construction
20 has special meaning as to the recovery of whatever
21 cost BellSouth incurs. And that's another example
22 of multiple uses of the term construction and kind
23 of making it hard to sort through this.

24 Q. Well, from a pricing perspective, let's
25 say that BellSouth is agreeable to upgrading a

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 SONNET, a fiber medium to SONNET capability. How
2 would the pricing of that be handled?

3 A. As I understand the language that we've
4 proposed, BellSouth would determine what the
5 economic impact was and there would be an
6 obligation of MCI to compensate BellSouth. I mean
7 there may be some discussions around -- around that
8 amount. But once that amount was settled, there
9 would need to be compensation to BellSouth for that
10 before the project would continue.

11 Q. And we wouldn't have to do a cost study to
12 negotiate a rate for that, would we?

13 A. Not in the sense that we think of that in
14 the regulatory arena. There would obviously be
15 some calculations that BellSouth would do in -- in
16 presenting the project to MCI for its -- for its
17 approval or whatever. Maybe approval's not the
18 right term. But so that the parties could agree on
19 whether or not the project should move forward.

20 Q. What would happen if the parties couldn't
21 agree on a price for the work?

22 A. I mean, I can envision a situation where
23 BellSouth could come up with a number that we would
24 find unreasonable in terms of our desire to proceed
25 at that -- at that price, causing the request to

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 then essentially fall by the wayside. I guess it's
2 conceivable that there could be a price that was
3 established by BellSouth that we felt was
4 inappropriate and could conceivably result in some
5 kind of complaint proceeding or whatever. But
6 those are just, you know, two possibilities that
7 spring to mind.

8 Q. I guess what I'm -- I'm sure you know what
9 I'm driving at and that is would you characterize
10 your entitlement as you believe you have to have
11 BellSouth upgrade its network in this fashion to be
12 on the same level as your right to obtain unbundled
13 access to other parts of BellSouth's network, in
14 terms of cost base and, you know, Commission
15 enforced standards?

16 A. And I think because the language that we
17 have proposed envisions the use of the special
18 construction process, the answer is no.

19 Q. Let's go to issue 28. What is the dispute
20 in number 28 as far as you understand it?

21 A. The dispute has to do with the form of
22 access to the CNAM data base. It's caps, all caps,
23 C-N-A-M.

24 Q. Why is MCI unwilling to agree to BellSouth
25 language, proposed language?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. As I understand what BellSouth has
2 proposed the -- the unwillingness to agree has to
3 do with the limitation so that we would have to do
4 a dip of the CNAM data base across networks on a
5 call by call basis.

6 And that is, in our view, something that
7 would add -- it would either add delay time to our
8 end user customer to whom the call was being placed
9 or would degrade -- otherwise degrade the service,
10 level of service, that we're able to provide.

11 Q. Now, certainly BellSouth has agreed that
12 MCI is entitled to access to the data base. You
13 understand that?

14 A. Yes.

15 Q. You want the actual data base itself?

16 A. We want to be able to load the contents of
17 the data base onto our systems which would allow us
18 to have a less complex and less time consuming
19 access, if you will, to that information. And
20 understand that the time that is at issue here is
21 the time between the -- I mean, if you're home and
22 someone calls you, the time that we're talking
23 about is the time between -- when your phone rings
24 the first time and the time it rings the second
25 time; that's the period within which the industry

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 standards say that this information needs to be
2 inserted so that your Caller ID box can read the
3 calling party name.

4 So there's a very limited amount of time
5 in the call processing that we have to go out and
6 extract that information and get it onto the
7 customer's line.

8 Q. And is it your understanding that handling
9 on a per dip basis will not allow you to comply
10 with your -- with whatever the time requirements
11 are?

12 A. Yes.

13 Q. On what -- on what basis do you make that
14 statement?

15 A. Well, the -- the architecture -- I mean if
16 you look at it from a contrast, if you will,
17 between the way BellSouth would provide services to
18 its end users and the way that we would do so, the
19 system was designed -- BellSouth's system was
20 designed with its network in mind so that there is
21 a -- an efficient means for BellSouth to query that
22 data base and to provide that information to its
23 end users.

24 When we look at our network and our
25 ability to query that same data base, it's a much

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 more difficult process because that system does not
2 reside on our network. So we would have decision
3 points, for example, as part of the completion of
4 that call we would have to determine, A, whether or
5 not that data base was on BellSouth's network. Or
6 because our intelligent network is more national in
7 scope, whether it's a Bell Atlantic network of a
8 SBC network, you know or whatever. And launch the
9 query to the appropriate network to extract the
10 information, bring it back into our network for
11 insertion during that time frame.

12 So by virtue of the network architecture
13 and the intelligent network that we utilize, which
14 is national as opposed to regional, it is more time
15 consuming. And it would degrade our ability to
16 provide services to our end users.

17 We would potentially have to hold call
18 process -- call processing in abeyance pending the
19 receipt of this information. And so it could add,
20 you know, a second or two seconds into the
21 processing of the call or we would be unable to
22 provide -- we would have the higher incidence of
23 not available answers on the end users line.

24 Q. You've said a lot and I appreciate that.
25 Let me try to -- I have several questions. First

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 of all, have you done any testing or analysis,
2 objection analysis of this phenomenon to say with
3 certainty what the delay is?

4 A. I don't believe that we have done a -- a
5 study per se. I mean, we have had people who deal
6 with our data bases and our intelligent network
7 look at this issue. And they are the ones who have
8 described to me additional complexities, the
9 additional links, for example on the signaling site
10 that would need to be created and the problem in
11 determining which link to launch the query to, for
12 example.

13 And all of those things -- well, I can't
14 sit here and tell you, you know, on a quantifiable
15 basis add two hundredths or two tenths or whatever
16 in a second. All of those things would have a
17 cumulative effect I've been told.

18 Q. Now this is the calling party information;
19 correct?

20 A. It's the calling party's information
21 that's delivered to the called party.

22 Q. But it would be -- for example, if I'm
23 living in Atlanta and I'm the calling party, I make
24 a phone call to New Mexico. My information resides
25 at BellSouth's CNAM data base; correct?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. Yes.

2 Q. Now MCI Worldcom, now you've described it
3 as a national network, but I mean if I'm
4 subscribing to your service within the BellSouth
5 Region, you know that that data base you need to
6 get information from is BellSouth's; correct?

7 A. From a -- from the standpoint of the local
8 switch itself, yes. But again, understand that we
9 operate local switches across the U.S. and it's my
10 understanding of that, and what I referred to
11 earlier is the intelligent network architecture,
12 there are intelligent systems that are used that
13 link the switches all over the U.S. for purposes of
14 SS7 signaling in data bases that are associated
15 with that.

16 So while it's true that the switch here
17 would have -- there would be local interconnection
18 trunks, for example, between our switches in
19 Atlanta and BellSouth, the fact is that the SS7
20 routing would go to -- you know, it could go to
21 Irving or it could go to some place in California
22 or Chicago or whatever in order to be processed.
23 And it would be at that point where there would
24 have to be intelligence built in that would say,
25 well, yeah, but this came from Atlanta so,

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | therefore, we're going to assume it needs to go to
2 | BellSouth.

3 | And so then you have to continue the path,
4 | if you will, and launch that query across back ends
5 | of BellSouth's CNAM data base in order to extract
6 | the information. So it really is a problem that
7 | impacts us by virtue of the fact that we operate
8 | local networks nationwide and we don't have SS7
9 | networks that are little islands, but rather it's
10 | all integrated together.

11 | Q. Presumably you would be seeking downloads
12 | of this information from all of the ILECs where you
13 | have local customers; correct?

14 | A. Correct.

15 | Q. And you would take the information and
16 | create a single data base operated or run by MCI?

17 | A. Correct.

18 | Q. What format is -- you may not know exactly
19 | but I mean is the format of the information, even
20 | if you obtain the download, the same for all the
21 | ILECs?

22 | A. The only way really that I can answer the
23 | question is that the content of the data bases
24 | would be the same. Now, whether or not there was
25 | any processing or transformation -- I'm not really

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 beyond the question of Zip Connect and UniServe;
2 correct?

3 A. There are some other concerns that are
4 raised in other issues having to do with other
5 requirements for direct trunking, if -- if that's
6 your question. I mean as to a specific service
7 that BellSouth offers, I think the examples that
8 we've given exhaust, if you will, the concerns that
9 we have with respect to the configurations that are
10 necessary to accommodate your retail offerings.
11 There -- there are related issues with respect to
12 direct trunking that we talk about in other -- in
13 other issues.

14 Q. And you understand that BellSouth routes
15 its traffic to the UniServe and Zip for -- with
16 respect to UniServe and Zip Connect to the TOPS
17 platform through direct trunking arrangements;
18 correct?

19 A. I'm unable to confirm my understanding of
20 my agreement with the way you characterized it at
21 this time. I may need to look at a statement from
22 one of your witnesses to that effect.

23 Q. Yeah, I think Mr. Milner addressed this
24 point. If you have -- if you don't have Mr.
25 Milner's testimony handy?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. I do not.

2 MS. BERLIN: I have it.

3 BY MR. TWOMEY: (Resuming)

4 Q. He's provided testimony on page 17 of his
5 direct to explain that the direct trunking of the
6 facilities to accommodate UniServe and Zip Connect
7 is precisely the way that BellSouth does it and all
8 other CLECs do it.

9 I guess my first question is do you have
10 any reason to disagree with Mr. Milner's statements
11 that -- of fact as to those issues?

12 A. Excuse me. As I understood your question,
13 it had to do with whether BellSouth had to have
14 dedicated facilities to the TOPS tandem in the
15 provision of its -- and I'm going to get confused
16 with respect to which service we're talking about,
17 with respect to the UniServe offering.

18 I'm not sure that that's what Mr. Milner
19 says on page 17 of his testimony. And I'm drawing
20 the distinction because BellSouth has the potential
21 within its own network to have both dedicated and
22 common transport provided over the same facilities
23 such that the common transport facilities would
24 terminate at one point and the dedicated transport
25 facilities might carry on to some other point in

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 the network, say the TOPS tandem for example.

2 And without knowing more about the
3 specific configuration it's just not abundantly
4 clear based on this -- this one paragraph at the
5 top of seventeen of Mr. Milner's testimony that --
6 that it would, in fact, be comparable if MCI
7 Worldcom were to have to utilize dedicated
8 facilities to the TOPS tandem.

9 Q. Okay. That's a fair assessment. My
10 question is then assuming that the manner in which
11 BellSouth is offering unbundled access to the
12 UniServe service is comparable to the manner in
13 which it provides that service to itself, MCI is
14 not asking for anything more than that or different
15 from that, is it?

16 A. I'm not sure that it's a matter of more
17 than or different from. It's a question of whether
18 BellSouth's configuration of its retail offerings
19 can cause us to have to interconnect in specific
20 ways that are otherwise not efficient from an
21 engineering and a technical standpoint.

22 And clearly desegregation of traffic or
23 the creation of separate trunk groups for what, I
24 believe, at one point in Mr. Milner's testimony, is
25 a relatively small amount of traffic, there are

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 concerns with having to create such inefficient
2 network architecture for such a small volume of
3 traffic.

4 Q. I guess what I'm trying to get to here is
5 what is the issue, is this an interconnection issue
6 as far as you're concerned as compared to an
7 unbundled element issue?

8 A. Yes.

9 Q. When you obtain access to the UniServe
10 service, are you getting that as an unbundled
11 element or is it just a function that is available
12 because of the way you interconnect with our
13 network?

14 A. Well, I have to tell you I am not
15 extremely well versed on the BellSouth offerings
16 that we're talking about here. But as I understand
17 it one of -- one of those, and I can't remember
18 which one, is a sort of a LATA wide one number
19 calling arrangement that BellSouth provides for its
20 customers.

21 And the problem, of course, as I see it,
22 is that if one of BellSouth's customers wanted
23 these products, happens to be visiting a location
24 of a customer whose local service is provided by
25 Worldcom, then what we're saying is that BellSouth

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 wants us to have to conform our interconnection in
2 such a way as to enable BellSouth to offer its
3 service.

4 Because that's really not the service that
5 we're offering. It's the service that just happens
6 to be -- you know, the call is -- is being
7 attempted at one of the locations we do provide
8 local services on and we're -- that's why I
9 characterized it as an interconnection issue.
10 Because it has to do with whether or not we have to
11 configure the interconnection in such a way as to
12 accommodate BellSouth's retail offerings.

13 Q. Well, how would MCI propose that the
14 trunking would work? What kind of trunking are you
15 proposing that would allow you to utilize the
16 service similar to UniServe?

17 A. I may be stepping over in Mr. Olson's
18 responsibilities, here but as I understand the way
19 that we typically would try to set up the inter --
20 the trunking cross the interconnection there would
21 be -- there would be the ability to deliver over
22 the existing interconnection on the -- on the
23 trunks that already in existence to the tandems or
24 -- or a particular end office or whatever that this
25 traffic could ride on so that it would be -- so

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 that it would not require a segregation of the
2 traffic in the -- in the use of inefficient
3 trunking.

4 The idea from an engineering standpoint is
5 that you try to make your trunks as efficient as
6 possible. And there comes a point where the volume
7 of traffic over a particular trunk group is so low
8 that you're really utilizing an inordinate amount
9 of facilities in order to handle traffic that is
10 very wasteful. And so obviously we try to avoid
11 that.

12 And again, to the point that there's not a
13 lot of this kind of traffic out there, which I
14 believe is something that Mr. Milner testified to,
15 the setting up of specific trunk groups for this
16 particular service would be inefficient. And
17 unfortunately I can't -- I can't tell you from like
18 Mr. Olson's perspective what type of trunking would
19 work to eliminate that.

20 But I think what we would hope would be
21 that the engineers to get together and try to work
22 that out in a manner the engineers agree is most
23 efficient.

24 Q. Well, I think you've gotten to where my
25 question lies. And that is if the current

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 arrangement for UniServe as an example is provision
2 through dedicated trunks for either for BellSouth
3 or from other CLECs, a suggestion that it be done
4 over shared facilities would require some
5 modifications to BellSouth's network, wouldn't you
6 agree?

7 I mean modifications in the broader sense,
8 whether it's just a software change or some other
9 change, but some modification would have to be done
10 in order to handle the traffic in the way MCI is
11 suggesting?

12 A. That is what I take from Mr. Milner's
13 testimony, yes.

14 Q. Okay. And it's your testimony that
15 BellSouth has an obligation to make whatever
16 modifications are necessary to accommodate MCI's
17 desire to minimize its trunking facilities?

18 A. Well, I wouldn't frame the issue that way.
19 Because again the issue is that BellSouth has a
20 particular service that it has chosen to configure
21 in a particular way and it's trying to impose a
22 particular means of interconnection on us even
23 though it's not our service; we're not collecting
24 the revenues from it. And it's not something that
25 we are offering to our end users.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 So I mean, it's an old cliché but it's
2 sort of like the tail wagging the dog from our
3 perspective because it's BellSouth's service that's
4 seeking to be the factory that drives the point of
5 interconnection.

6 Q. Well, your customer would be the calling
7 party who was dialing the number of the customer
8 who had the UniServe service; is that right?

9 A. Well, I think the way that I characterized
10 it earlier would be that it would be your customer
11 and it would just be at a location or a premises
12 that's served by MCI, a visitor, if you will, a
13 guest in the office.

14 If you were one of the customers who
15 subscribed to this service and you tried to place
16 the call from our offices here because we're served
17 by MCI, then you would be frustrated with your
18 service provider because it can't be -- it can't be
19 done. In that instance, obviously, you're not our
20 customer.

21 Q. Well, as I understand it -- let's use
22 UniServe as an example -- I'm a business and I set
23 up a single number that anybody dialing it from any
24 location can reach. Is that your understanding
25 what the service is?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. I have a very limited understanding.
2 That's consistent with it.

3 Q. And to be more specific, anybody within a
4 particular geographical area can dial my number as
5 a local call?

6 A. Right.

7 Q. Instead of a long distance call; correct?

8 A. Right.

9 Q. Your customers could be among the
10 customers who call my number; correct?

11 A. Yes.

12 Q. Your end users?

13 A. Yes.

14 Q. And aren't we talking about how to
15 transmit that traffic of your customer, your end --
16 your end user through the BellSouth network to be
17 able to make this connection to the BellSouth
18 customer?

19 A. At one level, yes. At the other level,
20 we're talking about whether or not there has to be
21 a specific set of trunk groups configured in a very
22 specific way to accommodate BellSouth's way of
23 having configured the service.

24 Q. Because as I understood the issue -- I may
25 be incorrect -- what we were really disagreeing

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 about was in a circumstance where you set up a
2 UniServe type arrangement for your customer, your
3 customer is the business.

4 We're saying that if we're going to have
5 to deliver traffic from disparate locations to your
6 customer, your end user, as a UniServe type product
7 you need to establish trunking facilities the way
8 that we've proposed or we just can't get the
9 traffic there because of the way we've got our
10 network configured.

11 A. And I have to tell you that is not my
12 understanding of the issue in dispute.

13 Q. Okay.

14 A. And not having negotiated these provisions
15 I can't sit here and tell you that you're wrong and
16 I'm right or vice versa. But that's not my
17 understanding.

18 Q. I mean we're certainly not suggesting that
19 you have to have a dedicated trunk for each of your
20 end users; right?

21 A. Yes, I agree with that.

22 Q. What we're talking about is at a minimum a
23 dedicated trunk from BellSouth's TOPS to some part
24 of MCI's network; correct?

25 A. Yes.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. Issue 39 concerns wireless type one and
2 type two A traffic. What's the issue in dispute
3 here as far as you understand it?

4 A. I understand the dispute to be in how the
5 traffic to and from the type one and type two A
6 wireless, how to characterize that traffic whether
7 it's transit traffic or traffic that terminates to
8 an end user, which is I believe terminate to an end
9 user is BellSouth's proposal.

10 And then related to that is the issue of
11 whether as part of that BellSouth should be
12 retaining all of the compensation from the type one
13 and type two A wireless carrier when it transits a
14 call from such a carrier to Worldcom's network.

15 Q. For a local call which originates on MCI's
16 network and terminates on AT&T Local, whatever the
17 name of their company might be, network MCI would
18 owe reciprocal compensation to AT&T; correct?

19 A. I believe so, yes.

20 Q. Okay. And what's at issue as I understand
21 it in the language that's in dispute, if that call
22 starts on the MCI network, transits the BellSouth
23 network, who then delivers the call to AT&T and
24 terminates it on AT&T's network, MCI wants
25 BellSouth to be responsible for paying reciprocal

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 compensation to AT&T; isn't that right?

2 A. I think I in part I can agree with that.
3 In the potential clarification is that it's my
4 understanding that BellSouth's proposal would have
5 BellSouth, in that instance, collect from MCI all
6 of the compensation that is due for transport and
7 termination. So if it's going to collect that from
8 MCI, then it should be responsible for paying the
9 carrier who actually performs the terminating
10 function.

11 Q. Well, let's look at the language in the
12 contract. You don't have a copy, do you?

13 A. No, I don't.

14 Q. Okay. The language 9.71 says for calls
15 that transit BellSouth's network, whether they
16 originate from MCIM and terminate to a third party,
17 LEC -- that's in all caps, L-E-C -- CLEC or CMRS
18 provider or originate from that third party and
19 terminate to MCIM and transit BellSouth's network,
20 comma, MCIM may require BellSouth to make
21 arrangements directly with that third party for any
22 compensation owed in connection with such calls on
23 MCIM's behalf or deal directly with that third
24 party at MCIM's option.

25 In that language, you are simply proposing

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 that you will hand traffic off to BellSouth for
2 termination on a third party's network and
3 BellSouth will just be responsible for any
4 reciprocal compensation that may be owed; correct?

5 A. I think you left out a piece. As I would
6 understand it, the intent would also be that we
7 would settle with BellSouth for the compensation
8 owed on the traffic and then BellSouth would in
9 turn settle up with the carrier who actually does
10 the termination if, in fact, there's a -- there's
11 only a transiting function performed by BellSouth
12 with respect to that particular call.

13 Q. Okay. Well, if anything has been left out
14 -- let me just be clear, where in the MCI language
15 that you propose does it say that you will pay us
16 the reciprocal compensation?

17 A. I believe that language in -- and I don't
18 know why we jumped from nine to 10.7 here, but in
19 the subsequent...

20 Q. I'm not sure either.

21 A. -- in the subsequent paragraph there is a
22 phrase that says that BellSouth shall charge MCIM
23 for such calls terminating to that third party as
24 if such calls had terminated in BellSouth's network
25 using BellSouth's rates as a described herein.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 So there is a compensation provision that
2 runs both directions. I only quoted the part that
3 originates from -- from MCI.

4 Q. Right.

5 A. And in the subsequent paragraph to the one
6 that you had me look at.

7 Q. Well, the -- a little further down the
8 page is -- is the MC -- excuse me, is the BellSouth
9 proposal which is not -- which is not to treat the
10 traffic as transit traffic at all. Why don't you
11 read to yourself and then I have a question or two
12 about it. As I understand it, this language of
13 BellSouth would be in lieu of this other language.

14 A. Yes, I'm generally familiar with that part
15 of your proposal.

16 Q. Okay, what's the objection to just simply
17 not treating the traffic as transit traffic at all?
18 How does that -- I guess let's be more specific.
19 How does that -- what are the financial
20 implications of adopting BellSouth's proposal as
21 far as you understand it?

22 A. The -- I don't know that there are
23 specific financial implications. I believe the
24 sort of the thing that we, you know, raised as
25 concerns had to do more with the administrative

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 aspects of it which are today BellSouth is -- well,
2 let me back up.

3 As I understand it today, where the
4 traffic originates on the Type I or Type IIA, CMRS
5 connection carrier or whatever, BellSouth collects
6 all of the terminating compensation and retains it
7 all. And I think what we're trying to accomplish
8 in our language is that the compensation actually
9 go to the carrier that's terminating the traffic.

10 Q. Well, what is your understanding of
11 BellSouth's position as it relates to the issue of
12 waiting until meet point billing system
13 capabilities?

14 A. I think that's where I started to go a few
15 minutes ago with respect to the administrative
16 concerns. Because -- pardon me -- if there's a
17 mechanism in place today for Type I and Type IIA
18 that allows BellSouth to collect the terminating
19 compensation then we don't see any reason why that
20 necessarily needs to be discontinued. Because all
21 it does is really transfer a large administrative
22 burden to us for the collection of something that
23 BellSouth has previously been collecting but simply
24 not remitting to us.

25 Q. Okay. Let's go to issue 40. Okay. I

VERBATIM COURT REPORTERS, INC.

F.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 don't see a lot of disagreement here. And maybe I
2 need to ask a few questions so I can understand
3 what the disagreement is.

4 You do not disagree that a long distance
5 call from Chicago to Atlanta would not provoke
6 reciprocal compensation charges whether the
7 protocol that was used to transmit that call was IP
8 telephony, or some other protocol, assuming it was
9 a phone to phone call; is that right?

10 A. That is correct. I would not disagree.

11 Q. And BellSouth has proposed some language
12 that says IP, telephony traffic will be considered
13 switched access traffic. And do you understand
14 that to include both long distance and local calls,
15 is that one of the reason you object to the
16 language?

17 A. Yes. As I -- as I understand it we're --
18 we're looking at the fact that the FCC used the
19 term to describe a pretty wide range of potential
20 services and/or a means of offering services. And
21 given the breadth of that definition, it causes us
22 a great deal of concern to say that it should be
23 treated, you know, as switched access.

24 Q. In Mr. Varner's testimony -- and you don't
25 need to look at it -- but page 54, he says in lines

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 four through six, apparently MCI believes that all
2 traffic transmitted by a IP telephony should be
3 treated as local regardless of where the end
4 points of the call occur and that reciprocal
5 compensation should apply to all calls. That's not
6 what you believe, is it?

7 A. No, it's not.

8 Q. Okay. I could rework this sentence a
9 little bit and say that apparently BellSouth
10 believes that all traffic transmitted by IP
11 telephony should be treated as long distance
12 regardless of whether the in points of the calls
13 occur and that switched access charges should apply
14 to the calls. And that might characterize your
15 concerns about the BellSouth language; correct?

16 A. Yes, it would.

17 Q. Okay. And Mr. Varner has also testified
18 that that's not his position either regardless of
19 how the language reads. So let me just see if I
20 can -- I'm not going to negotiate the language
21 here, but would MCI Worldcom be willing to include
22 language in the agreement that said words to the
23 effect that reciprocal compensation shall not apply
24 to long distance calls whether that -- whether
25 those calls are transmitted by IP telephony or some

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 other protocol?

2 And I don't want you -- I'm not confining
3 you to that particular agreement but that -- words
4 to that effect?

5 A. Well, as you're probably aware and as
6 we'll probably talk about more in just a few
7 minutes, you know, both of our companies have filed
8 extensive comments with the FCC and the Public
9 Notice on the remand from the DC Circuit and the
10 whole issue of reciprocal compensation.

11 And there's nothing in Worldcom's comments
12 that suggests anything that would change the
13 traditional view of when switched access applies.
14 In other words, the end to end call theories, you
15 know, apply in the traditional long distance arena
16 because you've got carriers involved with the call
17 from an end to end basis.

18 Whereas we're arguing that in the local
19 arena, where the call may be an IP -- the call may
20 be to an ISP, whether it's IP telephony or, you
21 know, going out and browsing the web or buying
22 tickets to a Broadway show before you go to New
23 York City, whatever, because the carriers that are
24 operating to furnish the carrier to carrier portion
25 of the call are operating within a local area,

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 reciprocal compensation applies because there's no
2 such access.

3 So I guess that's a long way of saying
4 that we view that switched access applies for
5 things that are clearly long distance
6 telecommunications. And for things that are local
7 where access charges don't apply, reciprocal
8 compensation should. So we're not trying to
9 bootstrap any kind of argument on reciprocal comp
10 into the long distance arena.

11 Q. Well, and that's what I'm trying to see if
12 there's some -- as I understand what the FCC is
13 struggling with on IP telephony or at least has not
14 been definitive yet on, is whether switched access
15 charges will apply or whether there will be no
16 charges, no such charges at all when it's a long
17 distance call using IP telephony. Is that your
18 understanding of the issue?

19 A. Well, I mean that's probably not a --
20 that's probably a fair characterization of the open
21 question but the fact that it is an open question
22 before the FCC means that, you know, we could
23 refine the statement of the issue in -- in large
24 extent before the FCC decides how the charging
25 should apply or in what instances switched access

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 does and does not apply.

2 Q. Well, I guess what I'm trying to get to is
3 I think there are two different questions here.
4 One is whether there should be switched access
5 charges applicable to a long distance call using IP
6 telephony. That's one question.

7 The second question is whether we can
8 agree that reciprocal compensation will not apply
9 if a long distance phone to phone call is made
10 using IP telephony at some portion of the -- of the
11 call. And that's the issue as I understand it.

12 So whether or not the FCC decides to apply
13 switched access charges or not to such calls, do
14 you agree that reciprocal compensation wouldn't
15 apply in a circumstance where -- we'll go back to
16 my example -- a person picks up the phone in
17 Chicago, it goes over SPC Ameritec network to the
18 long distance provider in Chicago who then, using
19 IP telephony protocol, sends the call to BellSouth
20 in Atlanta, hands it off and BellSouth terminates
21 the call.

22 But of those circumstances with phone
23 handsets on either side there is no reciprocal
24 compensation obligation.

25 A. That certainly sounds reasonable and as a

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 -- as someone who deals with policy I can tell you
2 that doesn't create any heartburn for me from the
3 standpoint of what would -- would constitute a
4 reasonable policy objective.

5 The fact that it's still an open question
6 for the FCC I think is part of the hindrance in our
7 ability to reach agreement on what should apply.
8 And maybe -- maybe there is a point -- maybe the
9 dispute can be narrowed between the parties, but
10 I'm not sure that either one of us are in a
11 position to actually settle that out given the fact
12 that the issue is still pending before the FCC, the
13 issue of what does constitute the appropriate
14 treatment.

15 Q. So you think the FCC is -- has got an open
16 issue as to whether reciprocal compensation would
17 apply in the hypothetical situation that I just
18 described?

19 A. I think it could be characterized that
20 way. I'm not sure that -- again, I don't see that
21 we would be arguing for that as a policy result.
22 But obviously we're only one of, you know, a
23 variety of folks that would be commenting on the
24 issue.

25 Q. And if the FCC would adopt a ruling that

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 said, for example, using the hypothetical that I
2 just used, switched access charges would not apply,
3 period?

4 A. Right.

5 Q. That's all they said, would you take the
6 position on that basis that because there are no
7 switched access charges applying to that call,
8 therefore reciprocal compensation must be owed?

9 A. Possibly. I mean, and again I'm just, you
10 know, it is within the realm of possibility. I
11 can't tell you that that's something that we've
12 discussed at all because I'm fairly close to those
13 kinds of discussions and haven't heard any mention
14 of that.

15 So I'm just saying that it's not -- I
16 can't sit here today and completely rule it out. I
17 can tell you it doesn't make a lot of sense but.

18 Q. Well, in your testimony on page 24, lines
19 nine through eleven, you appeared to be ruling it
20 out. You said Worldcom does not believe that
21 reciprocal compensation is due for long distance
22 calls originated by handset using telephone
23 numbers?

24 A. Right. And like I said earlier, that's a
25 fair statement of our belief of what the policy

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 should be.

2 Q. And given the substantial disputes that
3 have occurred between BellSouth and CLEC and other
4 ILECs and CLECs over reciprocal compensation for
5 ISP bound traffic, you don't disagree that the
6 parties ought to be very specific in this agreement
7 as to exactly what they expect will apply under
8 those circumstances?

9 A. Such a -- such care would hopefully reduce
10 the number of disputes in the future, yes.

11 Q. All right. Let's go to issue 42.

12 **MS. BERLIN:** Issue 42, I don't know. I
13 don't have issue 42 as one of your issues.

14 **BY MR. TWOMEY:** (Resuming)

15 Q. This is the tandem -- yeah, I'm sorry.
16 This is whether you are permitted to offer tandem
17 services for switched access traffic. Has that
18 been resolved; is that your understanding?

19 A. I would like to think so.

20 **MS. BERLIN:** Well, on my matrix, I don't
21 have it down as resolved. But I didn't have it
22 down as one of your issues so...

23 **THE WITNESS:** I understand it is.

24 **MS. BERLIN:** All right, I'm sorry.

25 **BY THE WITNESS:** (Resuming)

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. No, but that's...

2 Q. Hold on. Hold on.

3 MS. BERLIN: Was it in your testimony or
4 was it in Don's testimony or -- here it is.

5 MR. TWOMEY: It's in his testimony.

6 BY MR. TWOMEY: (Resuming)

7 Q. Let's go on to the next issue and I will
8 await a response to my page on this question.
9 Let's go to issue 43, reserving my right to come
10 back to issue 42. Okay, 43 concerns your request
11 to obtain the entire ten digit telephone number for
12 certain calls that are made; is that right?

13 A. Yes. Yes.

14 Q. Why do you need that telephone number in
15 circumstances where ANI and BTN are not recorded?

16 A. The concern, as I understand it, has to do
17 with the situation where BellSouth is the toll
18 carrier for a call that originates in another
19 carrier's service territory which presumably to
20 mean an independent telephone company and without
21 the telephone number we are concerned that the --
22 our ability to collect for the charges that we
23 should levy for terminating access would be
24 difficult to -- we believe it would create
25 additional difficulties in our -- in our collection

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 efforts on those bills.

2 Q. And what's the basis for your concern? I
3 mean, have you spoken with independent telephone
4 companies about this subject?

5 A. I personally have not. It's my
6 understanding someone within the company has.

7 Q. Who would have had such conversations with
8 independent telephone companies?

9 A. Mr. Martinez.

10 (Whereupon, a brief discussion ensued
11 off the record.)

12 BY MR. TWOMEY: (Resuming)

13 Q. In billing -- this would be billing
14 independent companies for reciprocal compensation;
15 is that right?

16 A. No, it would be terminating access for
17 calls originating in the independent territory.

18 Q. Switched access, okay.

19 A. Yes.

20 Q. How is billing of switched access done
21 today? What is involved in billing switched access
22 charges?

23 A. There is -- I mean generally the CABS
24 process, Carrier Access Billing is the process by
25 which access bills are rendered. So I mean the

VERBATIM COURT REPORTERS, INC.

F.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 creation of the CABS bill requires certain
2 identifying information. And as I understand it,
3 the concern is that simply the NPA/NXX is less
4 desirable in terms of our ability to, you know,
5 prove, if you will, that charges are owed to
6 Worldcom, you know, given traffic over the billing
7 period.

8 Q. Now the NPA/NXX is the area code and the
9 first three digits of the seven digit telephone;
10 correct?

11 A. Correct.

12 Q. NXX codes are assigned to carriers?

13 A. Correct.

14 Q. A single NXX code cannot be assigned to
15 multiple carriers; is that correct?

16 A. We're fast approaching the day where I
17 believe that will not be the case. But at this
18 time, if we put aside the issue of number
19 portability, it is the case that NXX are assigned
20 to a particular carrier.

21 Q. So using an example, Louisiana, if a call
22 from E-Tel were made to an MCI customer and you
23 received the NPA/NXX you would be able to
24 conclusively determine that it was an E-Tel
25 customer; correct?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. There's certainly a strong indication
2 there. I think the question, again, as I
3 understand it is that we would have an allegation
4 that we would make in trying to collect. And the
5 question is if we had no other information except
6 for the NPA/NXX, we didn't know what line the call
7 originated from, that there might be a greater
8 likelihood of a dispute and an inability on our
9 part to collect the terminating access.

10 Q. Now, I believe that whoever's testimony
11 addressed this issue confirmed that, you know, in
12 the relationship between BellSouth and the
13 independent telephone companies today, the
14 independent telephone companies do not require the
15 NPA/NXX, anything other than then NPA/NXX; is that
16 right?

17 A. I recall that, yes. I believe that was
18 Mr. Scollard.

19 Q. Have you attempted to negotiate any sort
20 of agreements with the independent telephone
21 companies to address billing issues? And I say
22 you; I mean that in the sense of Worldcom.

23 A. I don't know.

24 Q. So you don't have any basis for believing
25 that the independent companies would not be willing

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 to enter into an arrangement with MCI consistent
2 with the way they have handled the traffic with
3 BellSouth; right?

4 A. Nothing specific, no.

5 Q. Mr. Scollard referred to industry
6 guidelines on how traffic is -- is -- well, not
7 traffic is handled but information about calls is
8 transferred among parties. Did you read his
9 testimony on that subject?

10 A. Yes, I did.

11 Q. Is compliance or consistency with the
12 industry guidelines insufficient as far as MCI is
13 concerned on this point?

14 A. I'm -- I'm hesitating a little bit because
15 there are different billing options in the
16 guidelines, in the order and billing form
17 guidelines. The fact that two parties agree to a
18 particular set of guidelines doesn't bind either
19 one of those parties to -- what's the term I'm
20 trying to find -- adherence to those guidelines as
21 -- as with respect to some other party I guess is
22 what I'm trying to say.

23 Q. Well, BellSouth -- so, certainly,
24 BellSouth's agreement to conform with the
25 guidelines in -- in it's relationship with

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 independent telephone companies doesn't obligate
2 BellSouth to conform to those guidelines with
3 respect to MCI. I agree with you.

4 My question, though, is BellSouth has
5 offered in Mr. Scollard's testimony to enter into
6 an arrangement that is consistent with the industry
7 guidelines on this point. He said we are now
8 offering to do that. Is MCI unwilling to do that?

9 A. No. And I apologize if that was the
10 inference that I provided. Because what I was
11 really trying to say is that the fact that a third
12 party has agreed with BellSouth on guideline,
13 option A, doesn't mean that that third party can
14 disagree with option A with respect to MCI.

15 Q. Now issue 45, at least as Mr. Varner
16 understands the issue, MCI appears to be proposing
17 language in the agreement that if read literally
18 would require BellSouth to pay reciprocal
19 compensation to MCI in a circumstance where
20 BellSouth is simply transiting a call which
21 originates another CLEC network.

22 Do you understand that to be the concern
23 he's raised in his testimony?

24 A. Something definitely along the lines of
25 the way you characterized it, yes.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. Well, what is MCI proposing in
2 circumstances similar to the one we talked about
3 earlier?

4 But let's start with a call that
5 originates in an AT&T network. It's transmitted by
6 BellSouth to MCI's network where it's terminated.
7 Under such a circumstance, if it were a local call
8 MCI would be entitled to reciprocal compensation;
9 correct?

10 A. Yes.

11 Q. Who would be responsible for paying the
12 reciprocal compensation in that scenario?

13 A. As I understand our proposal, the
14 situation that you described would have BellSouth
15 render a bill to AT&T for transport and
16 termination. BellSouth would retain the transit
17 amount that it is due for having handled the call
18 on a transit basis and then remit the remaining
19 amount to Worldcom for having terminated the call.

20 Q. Why couldn't MCI bill AT&T for the
21 reciprocal compensation using the scenario that I
22 described?

23 A. I don't think there is a limitation, if
24 you will, that would preclude MCI from billing for
25 the terminating portion.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. And is MCI proposing that if its proposal
2 were adopted that BellSouth be required to pay MCI
3 for the reciprocal compensation owed by AT&T even
4 in a circumstance where AT&T refuses to pay
5 BellSouth?

6 A. Well, I think the example that you used
7 would add some -- the need for some administrative
8 provisions to make sure that that didn't occur.
9 But I wouldn't think that -- I wouldn't think it
10 reasonable to suggest that payment had to be
11 remitted to Worldcom if the originating carrier had
12 failed to pay for the traffic.

13 Q. Now, in the circumstance that I've
14 described where a call originates on an AT&T
15 network, transits BellSouth's network and
16 terminates on MCI's network, assuming again it's
17 still a local call, MCI and AT&T in that scenario
18 would have had some kind of an interconnection
19 agreement; right?

20 And I'm using the term interconnection
21 agreement generally to mean some sort of agreement
22 on how to compensate each other for calls; right?

23 A. Generally, yes.

24 Q. There would have to be something in
25 writing presumably that said what the rate would be

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 for the reciprocal compensation; correct?

2 A. Yes.

3 Q. And you would agree that BellSouth should
4 be compensated for the transiting function?

5 A. Yes.

6 Q. Irrespective of whether the originating
7 carrier would pay MCI for the reciprocal
8 compensation; right?

9 A. Well, in that situation both MCI and
10 BellSouth would have a -- a valid claim obviously
11 to AT&T for that traffic, yes.

12 Q. Now, in discussing the wireless traffic,
13 you suggested that BellSouth is physically
14 collecting the reciprocal compensation on the front
15 end and you simply believe that it would have an
16 obligation to remit it in whatever fashion was
17 appropriate; correct?

18 A. I'll accept that characterization.

19 Q. Is it your understanding that that's how
20 CLEC to CLEC traffic transiting over BellSouth's
21 network would be handled, that BellSouth would be
22 collecting the reciprocal compensation from the
23 originating carrier?

24 A. Well, it certainly could be. Again, it's
25 going to be rendering a bill for the transit

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 function that it's performing as well as presumably
2 for termination.

3 I mean, I'm certain that for any given
4 originating carrier, BellSouth provides a certain
5 amount of transit capability for traffic that
6 terminates on other carrier's network. And then
7 given the market share that BellSouth has, probably
8 has a lot more of the charges for transport and
9 termination.

10 Q. Well, let's set aside for a moment the
11 question of whether BellSouth has the technical
12 capability and expertise to handle the billing of
13 reciprocal compensation in the manner that you've
14 suggested.

15 Is it your opinion and testimony that
16 BellSouth has an obligation under the Act to agree
17 to this language that you've proposed? And I don't
18 mean specifically this -- these words, but to agree
19 to perform that billing function for MCI.

20 A. The -- I don't -- I can't point to
21 anything specific that says that this particular
22 language in the Act or a particular FCC rule
23 obligates BellSouth to perform the billing this
24 way. I think there are some strong arguments with
25 respect to efficiency and perhaps elimination of,

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | you know, economic barriers to entry or whatever
2 | could be made. But those are more indirect
3 | arguments obviously.

4 | Q. I have it on good authority that issue 42
5 | is not resolved.

6 | MS. BERLIN: It isn't. It's just my
7 | mistake.

8 | BY MR. TWOMEY: (Resuming)

9 | Q. I'm going back to 42. All right. In
10 | issue in 42, BellSouth has proposed language in the
11 | agreement which says that MCI agrees not to deliver
12 | switched access traffic to BellSouth for
13 | termination except over MCI ordered switched access
14 | trunks and facilities. If you don't have a copy of
15 | our proposed language, it's right there.

16 | A. I see that.

17 | Q. What is your objection to that language?

18 | A. Generally the objection is that we -- we
19 | do not believe that such a limitation is -- is
20 | appropriate and reasonable. And the reason is
21 | because that essentially locks in the historic way
22 | in which BellSouth has provided access services and
23 | eliminates the potential for there to be particular
24 | type of -- of competition in the access arena, in
25 | the switched access arena.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. Well, let's go back to my Chicago to
2 Atlanta example. For a call that MCI Long Distance
3 takes from Chicago to Atlanta, I'm guessing the
4 situation involved with issue 42 would be where MCI
5 Long Distance hands the call off in Atlanta to MCI
6 Metro or whatever the name is in the MCI local
7 company, who then hands the call off to BellSouth
8 for termination to one of the BellSouth's end
9 users, is that what -- is that the situation being
10 addressed here?

11 A. I think generally, yes. Although, you
12 know, obviously it could be any number of
13 companies, the interexchange carrier. There's --
14 the issue goes beyond particular interexchange
15 carriers and the concern is, of course, that it
16 precludes us from being in a position to utilize
17 UNE facilities in our existing switches in such a
18 way as to provide a competitive alternative, if you
19 will, to BellSouth's traditional tandem switched
20 access.

21 Q. All right. You've corrected me and -- and
22 but you've gotten to the heart of it. We're not
23 talking about traffic here in issue 42 that comes
24 from MCI, the interexchange carrier, and is
25 delivered to BellSouth directly as the local

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 exchange carrier; correct?

2 A. It goes -- it goes beyond that. I mean,
3 that is a sub set of what we're talking about.

4 Q. Well, we've got a local interconnection
5 agreement here. I just want to be clear on which
6 MCI unit we're talking about. Aren't we just
7 talking about the exchange of traffic between MCI's
8 local exchange carrier by whatever name it's doing
9 business and BellSouth in issue 42?

10 A. And I apologize. Can you ask me that
11 again?

12 Q. Doesn't the issue in number 42 concern the
13 exchange of traffic between MCI Metro or whatever
14 MCI local exchange company we're dealing with and
15 BellSouth?

16 A. In -- in large part, yes. But as you
17 know, we get into some of these other issues there
18 are -- there are toll and access implications
19 associated with the interconnection that is
20 obtained under the agreement.

21 Q. There's no dispute between the parties
22 that BellSouth is entitled to terminating switched
23 access charges for long distance calls which
24 terminate on it's network; correct?

25 A. Yes, I think that's correct. I think the

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 concern here is that BellSouth is seeking to put
2 language in here that insures that the terminating
3 switched access that it is able to continue to
4 charge consists of trans -- well, consists of
5 tandem switching for example and perhaps other
6 elements for which there could be competitive
7 alternatives.

8 I mean, we perhaps could draw a picture
9 and draw the BellSouth end user receiving the toll
10 call from Chicago. And in that instance, no matter
11 what we would argue that end office switching and
12 whatever loop elements are still chargeable under
13 either State or Federal Law would be -- I guess
14 that would be Interstate -- would definitely be
15 chargeable by BellSouth to the interexchange
16 carrier.

17 What is potentially at issue is whether or
18 not BellSouth could utilize language such as this
19 to insure that it does not see competition for
20 tandem switching and possibly transport with that
21 call.

22 Q. Now, how would they insure that they don't
23 have competition? I'm not sure I understand that.

24 A. Well, the language as I read it would
25 preclude MCI Metro from offering a competing tandem

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 function and then using either its own network or
2 leased facilities to terminate traffic to a
3 BellSouth office because those facilities would not
4 be, quote, switched access trunks and facilities.

5 Q. Well, the -- the issue here is the -- is
6 the facilities which run between the MCI Metro and
7 BellSouth networks; correct?

8 A. Yes.

9 Q. MCI Metro could offer any kind of network
10 configuration to -- let's use an example -- AT&T
11 interexchange carrier; correct?

12 A. Correct.

13 Q. And as long as -- and however that traffic
14 was obtained from AT&T and handled by MCI Metro,
15 under the language proposed by BellSouth the only
16 thing that we would require is that you deliver it
17 to us on trunks, which you've ordered as switched
18 access trunks; correct?

19 A. Yes.

20 Q. And what I understand the concern to be by
21 BellSouth is that if you ordered both tandem trunks
22 and switched access trunks that go to the same end
23 office of BellSouth's, you won't route your long
24 distance traffic over the tandem trunks; correct?

25 A. That's the concern that's been expressed

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637

Covington, Georgia 30015

(770) 788-2373

1 by BellSouth, yes.

2 Q. And the reason we've raised that concern
3 is that if you route the traffic that way, that is
4 what should be switched access traffic over the
5 tandem trunks, we may not be able to determine that
6 that traffic is traffic for which switched access
7 charges apply.

8 A. Again, I believe that is a -- a claim that
9 BellSouth has made.

10 Q. Well, why would MCI object to delivering
11 the traffic in a manner which permits BellSouth to
12 bill for the services that it provides?

13 A. And I don't think we do. I think -- it's
14 my understanding that the -- that the claim that
15 there would be an inability to bill is not a valid
16 claim.

17 Q. Well, if the language that MCI is
18 proposing were adopted, what would prevent MCI from
19 simply ordering tandem trunks to BellSouth's end
20 office and routing all the traffic, whether it was
21 switched access traffic or local traffic, over that
22 one trunk?

23 A. If I understand your question correctly, I
24 don't -- I don't believe that there's necessarily
25 -- and perhaps I'm wrong -- but I don't believe

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 that there's necessarily a limitation that would
2 preclude that. But the fact that the traffic would
3 be delivered over that trunk doesn't preclude
4 BellSouth from determining the jurisdiction of the
5 traffic and charging accordingly.

6 Q. How would BellSouth determine the
7 jurisdiction of the traffic?

8 A. Either with the call information that's
9 provided with the call or by some fact or some
10 jurisdictional factor.

11 Q. Is there anything that MCI could do in
12 switching that traffic to basically disguise the
13 fact that it was switched access traffic?

14 A. I suspect that there probably are things
15 that MCI could do that could do that. Again,
16 that's not our intent and not what this issue is
17 about in my understanding.

18 Q. Well, clearly I don't impugn the integrity
19 of MCI. But under the pick and choose rules,
20 another company could adopt this MCI agreement;
21 correct?

22 A. That's my understanding.

23 Q. And one with not as pure intentions as MCI
24 could effectively gain the system and deprive
25 BellSouth of switched access charges if this issue

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 is not addressed directly; correct?

2 A. And I'm hesitating a little bit because
3 while I think there's probably no disagreement with
4 what you've said, I don't think that this is
5 necessarily the -- the slippery slope. I think
6 there are already carriers that are probably doing
7 things to disguise traffic out there today.

8 Q. Now, you've suggested on page 27 of your
9 rebuttal testimony in line 22 that -- that our
10 language would preclude Worldcom from offering
11 tandem services to other carriers. What about
12 BellSouth's proposed language would preclude you
13 from offering tandem services to other carriers?

14 A. As I understand it, the limitation would
15 largely be an economic one. In other words, there
16 would be no -- no reason for MCI to seek to do --
17 to provide that competitive alternative if it
18 couldn't compete on price with BellSouth. And it
19 can't compete on price with BellSouth if it has to
20 charge exactly the same rate as BellSouth, you
21 know, for a minute of traffic.

22 Q. Well, why would -- why would you have to
23 charge the same amount as BellSouth for a minute of
24 traffic?

25 A. The trunks would be ordered as switched

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 access trunks and BellSouth would presumably be
2 charging its full tariff switched access rates for
3 the traffic. I don't know how we could take that
4 and make a competitive offering to an interexchange
5 carrier.

6 Q. Well, if all the traffic going over the
7 trunk is switched access traffic --

8 A. Right.

9 Q. -- it's a switched access trunk there
10 should be no problem; correct?

11 A. Well, except that I think as I understand
12 the issue the way that we would seek to compete in
13 the provision of the tandem service would be the
14 ordering of UNE trunks under the interconnection
15 agreement to connect our tandem, at which I think
16 we would agree that, you know, BellSouth would be
17 compensated for the dedicated transport between our
18 -- our tandem and BellSouth's end office switches
19 and then provide a transport switching and trans --
20 I'm sorry, a tandem switching and transport
21 function to interexchange carriers, such that now
22 instead of going through the BellSouth tandem to
23 the BellSouth end user, they would have the option
24 of going through the MCI tandem to the BellSouth
25 end user.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 And that's what I said in a previous
2 answer a few minutes ago in that instance
3 BellSouth's access charges to the interexchange
4 carrier would be limited to the end office elements
5 as opposed to end office and transport and tandem
6 switching as would be the case today for tandem
7 routed terminating access.

8 Q. Well, I'm -- okay, well, BellSouth is only
9 asking in this language that you deliver traffic to
10 us on switched access trunks; correct?

11 A. Yes.

12 Q. You're saying that MCI can't offer the
13 tandem switching and transport functions to the
14 interexchange carriers and at the same time deliver
15 the traffic to BellSouth over switched access
16 trunks?

17 A. Correct.

18 Q. Why is that?

19 A. It goes back to my previous answer where I
20 said it's economic limitation. In other words -- I
21 mean, if I can pay full freight at the UNE rate for
22 a dedicated transport and then I can even be more
23 efficient or whatever and charge switched access
24 transport for the traffic that I'm providing,
25 again, just focusing on the terminating side,

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 terminating to the BellSouth end office, then to
2 the extent that I can attract enough business, if
3 you will, I can make money on the difference
4 between the full period circuit that I've bought at
5 the UNE rates and the switched access charges that
6 I'm going to charge to the IXEs.

7 If I have to buy that at switched access
8 rates, then I no longer have that margin that I can
9 build into my economic model trying to provide that
10 competitive alternative.

11 Q. Thank you. I think issue 46 is the next,
12 yes, issue 46. Let's try to narrow this down a
13 little bit by some preliminary questions on the
14 subject.

15 Would you agree with me that if a call
16 originates outside of a LATA boundary and
17 terminates on the other side of that LATA boundary,
18 that it's a long distance call for BellSouth?

19 A. I'm hesitating a little bit because I
20 don't know whether, for example, interexchange
21 carriers offer an inter LATA FX. Well, actually I
22 haven't looked at that lately.

23 It's my understanding that they generally
24 would offer the capability for a customer to have
25 an inter LATA FX. And so -- and the reason I bring

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 that up is because obviously from the standpoint of
2 the person placing the call it's not a long
3 distance call because it's being terminated to an
4 NPA/NXX that is local to them.

5 Q. Well, let's try it even simpler. You
6 would agree with me that BellSouth can't transport
7 calls across a LATA boundary today?

8 A. Not as we sit here today.

9 Q. If BellSouth were to agree to treat as
10 local calls originating and terminating within the
11 same LATA regardless of the local calling area that
12 would otherwise apply under BellSouth's own
13 assignment of numbers and to treat as long distance
14 only those calls originating with a customer
15 located physically outside of that LATA, would that
16 be acceptable to MCI to address the concerns raised
17 in issue 46?

18 A. If I understood the question correctly, I
19 think that would go a long ways. I mean, you're
20 obviously aware that the examples that were used in
21 the testimony are generally within a LATA. But, of
22 course, the way that we have framed the issue is
23 not with respect to the location of the -- of the
24 end user but with respect to the nature of the rate
25 center within which the NPA/NXX is assigned.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. Yes, I understand. And I don't know
2 whether we'll be able to make the proposal but I'm
3 just suggesting. My question is just that can we
4 agree that if a customer is located in one LATA,
5 regardless of where he draws his dial tone from
6 through some sort of an FX arrangement, if he picks
7 up the phone and calls somebody in another LATA,
8 that that's going to be -- that should be treated
9 as a long distance call for purposes of billing,
10 reciprocal compensation.

11 A. And -- and I think I said that I think it
12 would go a long ways. And, again, my hesitation is
13 because to the extent that we offer inter LATA FX
14 services then we -- we'd need to find a way to make
15 sure that those didn't get upset because, again,
16 today the way those calls are treated by, you know,
17 all of the carriers involved is as local.

18 Now, there's some transport obviously to
19 get the call from the point of origination to some
20 distant premises, wherever that is, but it still
21 proposes to the calling party considered to be
22 local.

23 Now, you know, where Worldcom as an
24 interexchange carrier is buying an access service,
25 if you will, from BellSouth to accommodate that,

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | presumably that's the means by which we dispense
2 | with the -- the conflict here. Because it's really
3 | only where, as I understand it, where we come in
4 | and offer as a local service that this dispute
5 | about -- about the reciprocal compensation arises.
6 | So maybe that's a way that we could kind of help
7 | frame the issue properly.

8 | Q. If we don't resolve it, we can go back to
9 | the task of trying to convince, for example, the
10 | Georgia Commission to agree with either Maine or
11 | California on this question.

12 | A. As we do on our computing our precedents,
13 | as it were.

14 | Q. Well, let me ask you this -- let's get
15 | back to the issue as it's been framed to date,
16 | which is if it's in one local calling area and it
17 | terminates in another local calling area, it's long
18 | distance.

19 | How does that raise competitors's costs to
20 | treat that as a long distance rather than a local
21 | call for the reciprocal compensation?

22 | A. I don't know if I can -- I can answer that
23 | sort of indirectly by saying to the extent that
24 | Worldcom would be denied reciprocal compensation
25 | then it has the effect of driving up our costs by

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 reducing the compensation that we think that we
2 would otherwise get.

3 And the fact is that for the termination
4 of a call that there is a cost and then in the pre
5 Act way, the way it existed before the Act,
6 BellSouth rates were presumably established in such
7 a way to compensate Bell through originating and
8 terminating traffic.

9 So if the termination function is
10 performed by somebody else, you're not compensated
11 by that or for that function, then there is a -- a
12 cost impact, if you will, on that other carrier and
13 presumably a cost benefit to BellSouth.

14 Q. Quite right. I asked you a question about
15 the cost involved and I certainly think that MCI is
16 concerned about losing revenue associated with
17 reciprocal compensation. But I'm not sure that I
18 still understand what additional costs MCI would
19 incur through BellSouth's proposal.

20 A. Could you point to the particular part of
21 the testimony where we make the --

22 Q. Page 37.

23 A. -- argument.

24 Q. Yes, page 37 of your rebuttal, lines 23
25 through 25.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. To the extent that, for example, there was
2 a desire to offer that inbound calling capability
3 for one of our customers in Atlanta, for example,
4 and the only way that BellSouth would agree to
5 allow that NPA/NXX to be opened in the surrounding
6 area that would enable that offering was by the
7 creation of, for example, a new point of
8 interconnection or whatever for that local calling
9 area, even though we didn't have customers in that
10 area, customers originating traffic, then that
11 would drive up the cost of providing that same type
12 of offering.

13 Q. Okay. It's my understanding that
14 BellSouth does is not requiring any additional
15 points of interconnection, that we're simply
16 talking about what are the compensation
17 consequences of assigning an NPA/NXX outside the
18 local calling area.

19 In other words, we won't restrict you from
20 assigning an NPA/NXX outside the local calling
21 area. But if you do, the consequence of that will
22 be that we'll treat the traffic that starts in one
23 local calling area and comes into another as toll
24 traffic.

25 I just -- I don't see that as imposing any

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 additional costs on MCI at all. You've said that
2 it does and I'm just trying to get an understanding
3 of what that basis is. You've said points of
4 interconnection. Is there any other basis for
5 saying that there are additional costs?

6 A. I'm not able to think of any sitting here
7 right now. Again, beyond what we've already
8 discussed.

9 Q. And even assuming that as between
10 BellSouth and MCI, calls from that customer would
11 be treated as a long distance rather than local.
12 That wouldn't preclude you from offering the epic
13 service to the customer, would it?

14 A. Well, no, but that -- that clearly is the
15 situation that I couldn't think of a moment ago,
16 which was the way in which the cost would be driven
17 up. Because to the extent that we're being put in
18 the position of having to pay originating access
19 charges for that traffic, obviously that would
20 increase costs dramatically.

21 Q. Well, it's your end user. To whom would
22 you be paying originating access charges?

23 A. To BellSouth.

24 Q. Well, help me understand that. The
25 customer is located in one local calling area and

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 is an MCI customer.

2 A. Right.

3 Q. Who performs the originating function when
4 it's an MCI customer?

5 A. It would -- looking at the situation such
6 as what I just described was in some areas
7 surrounding Atlanta, for example, that we wanted to
8 offer an inbound calling capability to it would be
9 the BellSouth end using customer in that
10 surrounding area that would be calling the MCI in
11 Atlanta. And as I understand Mr. Varner's
12 testimony his proposal that originating access
13 charges are due to BellSouth for that call.

14 Q. You're going to have to help me here.
15 Under the FX service as I appreciate it, using your
16 example of the call inbound to Atlanta, you're
17 saying it would be a BellSouth end user who
18 originates the call?

19 A. Yes.

20 Q. And what would that BellSouth end user
21 have a different NPA/NXX than he would normally be
22 assigned because it's local calling area?

23 A. No, the circumstance would be that the
24 BellSouth basic local customer who does not have
25 Atlanta Metro calling capability -- and, again, I'm

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 | geographically disadvantaged here because I'm not
2 | that familiar with your surrounding area -- that he
3 | would have basic service in that adjacent exchange,
4 | for example, and would be placing a call that under
5 | our scenario would have been assigned by us to that
6 | same local calling area, again outside Metro
7 | Atlanta.

8 | Q. Okay.

9 | A. Whereas we would treat that as a local
10 | call because the rate center associated with the
11 | NPA/NXX is the same as BellSouth's NPA/NXX the
12 | termination, if you will, the MCI customer would be
13 | in Atlanta. And in that instance, again as I
14 | understand Mr. Varner's testimony, he would propose
15 | that MCI pay BellSouth switched access charges for
16 | its originating function in that call.

17 | Q. So this would be a circumstance that I
18 | think the community that Mr. Varner used was Athens
19 | as an example of the calling area that's different
20 | from Atlanta. It would be a circumstance where
21 | there's a BellSouth subscriber in Athens, an MCI
22 | subscriber in Atlanta, but MCI has assigned an
23 | Athens number to the customer who's physically
24 | located in Atlanta; correct?

25 | A. Correct.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q And in that circumstance, a call from a
2 local person in Athens to Atlanta, BellSouth would
3 treat as a long distance call for which it would be
4 entitled to originating access but for which MCI
5 would be entitled to terminating access; correct?

6 A. Under Mr. Varner's proposal, MCI would not
7 be entitled to anything other than what it bills
8 its end user.

9 Q. Where do you see that in his proposal?

10 A. And who would we charge terminating access
11 to, we're the provider of service and there's no
12 toll carrier involved.

13 Q. Well, then in that circumstance who would
14 BellSouth charge originating access to?

15 A. Worldcom, MCI.

16 Q. Why couldn't MCI charge BellSouth for
17 terminating access?

18 A. Well, I don't believe that's the way Mr.
19 Varner set it up but -- typically in the end trial
20 LATA world what you would have is, you would have
21 one carrier charging access because it was not
22 receiving the bill revenues from the end user.
23 And the carrier who was receiving the billed
24 revenues from the end user keeping those revenues
25 as compensation for a given call.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 But here we're not talking about call by
2 call compensation. We're talking about an FX
3 offering that Mr. Varner suggests, the contract
4 language certainly suggests that BellSouth feels it
5 would be entitled to originating access because it
6 does not have the Atlanta -- doesn't have access to
7 the billed revenues from MCI's customer in Atlanta.

8 Q. And in your hypothetical, if there were a
9 call placed from your Atlanta customer with the
10 local number assigned in Athens to our Athens
11 customer under Mr. Varner's proposal you would be
12 entitled to originating access; correct?

13 A. That makes sense. I don't know if that's
14 what Mr. Varner envisioned.

15 Q. And if the traffic patterns were roughly
16 comparable, then there would not be any significant
17 economic impact on either company, would there?

18 A. No, I don't -- I don't believe that the
19 service for which we would be offering that would
20 be the kinds of services that would have generally
21 balanced traffic because there would probably be
22 ISP type capability in Atlanta for the surrounding
23 territory. So it would mean the vast majority, if
24 not all the traffic, would be inbound to the
25 Atlanta customer.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. And under your proposal that would
2 generate all reciprocal compensation?

3 A. Yes.

4 Q. Well, or at least compensation; correct?

5 A. Correct.

6 Q. And I guess the bottom line -- I just want
7 to see if we can agree on what the scope of the
8 issue here -- there are no restrictions on either
9 company as to how they define their local calling
10 area. We're only having a disagreement about how
11 much money is going to be flowing in either
12 direction as a result of how we classify the
13 traffic; correct?

14 A. And with the qualification that certain
15 economic restrictions can have the practical effect
16 precluding the ability to define the local calling
17 area, then I can agree with you.

18 Q. If you're not going to make a lot of money
19 on internet service provider traffic you may decide
20 not to set up this kind of arrangement in a
21 particular area; right? It may not be worth your
22 economic -- it may not in your economic interest to
23 do so; right?

24 A. Yes.

25 Q. Okay. Issue 47 is reciprocal compensation

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 for calls bound for ISPs. I have no questions for
2 you on this. BellSouth will reserve it's rights to
3 judicial review of the Commission rules.

4 A. Understood.

5 Q. All right, 51...

6 MS. BERLIN: Okay, I'd just like to point
7 out I understand on 51 that there's a trade
8 secret version of the testimony. And there are
9 numbers in here that are considered
10 proprietary.

11 MR. TWOMEY: Whose numbers?

12 MS. BERLIN: There are numbers.

13 BY THE WITNESS: (Resuming)

14 A. In fact, I noticed a minute ago you had
15 the Public Disclosure Version.

16 Q. I think I can ask you the questions that I
17 need to ask you with the exception of one subject
18 area without getting into the public stuff -- no
19 public stuff.

20 I'm going to hand you a series of color
21 maps that set forth different local and access
22 tandem serving areas for BellSouth in the State of
23 North Carolina.

24 A. All right.

25 Q. It is my understanding that of the serving

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 area that I'm going to show you the only place
2 where Bell -- where MCI has customers is in what we
3 call the Raleigh LATA. But please look through
4 that and let me know if that's accurate.

5 A. Okay.

6 Q. Is the Raleigh LATA the only one of the
7 serving areas that I've provided to you that has --
8 where MCI is offering service at all in North
9 Carolina?

10 A. Local services, yes.

11 Q. Okay. You can hand back the rest of the
12 maps except for the Raleigh LATA.

13 A. Were there two for Raleigh, I'm sorry.

14 Q. I don't believe so. No, I'm sorry. All
15 right, let's mark those for identification in this
16 deposition a Price 1 and 2.

17 (Whereupon, Price's
18 Exhibits Numbers 1 and 2
19 were marked for
20 identification counsel.)

21 BY MR. TWOMEY: (Resuming)

22 Q. Looking at Price 1, which is the local
23 tandem serving area for BellSouth with various
24 color indications, please tell me where within the
25 local tandem serving area that BellSouth has

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 depicted on that map MCI Worldcom has local
2 customers. And I -- you can mark it with a pen, if
3 you like.

4 A. Actually, I don't have the ability to do
5 that sitting right here and now. I recall during
6 the preparation of the testimony that we did
7 analysis along those lines and I think we might
8 have put in our rebuttal testimony in North
9 Carolina something regarding the number of rate
10 centers in which we offered service and the number
11 of rate centers in which we had customers.

12 And all I can represent to you sitting
13 here and now is that it covers a pretty sizable
14 chunk of what shows up here as I believe a green
15 color.

16 Q. Okay.

17 A. As well as part of the area that's not
18 shaded at all which I believe is either GTE or
19 Sprint or perhaps both serving territory which
20 would be the -- what's it called, the triangle --
21 research triangle area in the area surrounding
22 Raleigh-Durham.

23 Q. Okay. So as you sit here today, you can't
24 identify on the map with specificity where exactly
25 in that location -- in that map area you've got

VERBATIM COURT REPORTERS, INC.

P.O. Box 2537
Covington, Georgia 30015
(770) 788-2373

1 customers; is that right?

2 A. No, I can't.

3 Q. Can you tell me that there are certain
4 areas within that map that you know you don't have
5 any customers for local service?

6 A. Subject to check I don't believe we even
7 offer service in the area that's shaded in -- what
8 is that, salmon, pink, something. So I think I can
9 safely exclude that area.

10 But again, within the green and white,
11 it's my recollection that we serve a large portion
12 of that area. We offer services throughout a large
13 portion -- local services throughout a large
14 portion of that area.

15 Q. And the green area is divided among -- I'm
16 guessing these are serving wire centers, that the
17 lines in between the various -- are there any of
18 the wire centers within here that you can say you
19 don't believe you have customers?

20 A. Not sitting here today, I can't tell you
21 which ones.

22 Q. All right. Would your answer be the same
23 as to the access tandem serving area?

24 A. Yes.

25 Q. What is your definition of local tandem

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 switching that is a network function; what is that?

2 A. I don't know that I have a specific
3 definition. I'd have to go back look at the FCC
4 definition.

5 Q. Well, and I'm not going to hold you to the
6 particular words. I just mean if you could
7 describe it to me, what is it? What is happening
8 in the network when local tandem switching takes
9 place?

10 A. Well, in the -- in the Legacy hierarchical
11 networks that the -- that BellSouth, for example,
12 has deployed, tandem switching is where a call is
13 delivered to a switch that is not the destination
14 switch on which the customer, which the end user is
15 served by, so that that switch has to perform an
16 intermediate switching function, if you will, to
17 transmit the call to another switch where the call
18 would presumably terminate.

19 Q. So that...

20 A. That's not an engineer's definition.

21 Q. In that example though there are at least
22 three switches involved?

23 A. An originating switch, the intermediate
24 switch and the terminating switch.

25 Q. Okay. And there are trunks from -- on

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 either side of the tandem switch; correct?

2 A. In the traditional hierarchical networks
3 that the -- that have been deployed over the
4 decades, yes.

5 Q. And what's an access tandem?

6 A. An access tandem would be a similar
7 function that would be performed by that particular
8 switch that was designated for an intermediate
9 switching for -- specifically for access traffic as
10 opposed to local.

11 Q. And end office switching is what?

12 A. End office is switching at the originating
13 and terminating point, again typically thought of
14 in the context of the traditional hierarchical
15 network.

16 Q. Well, on one side of an end office switch
17 is another switch at some point; right?

18 A. Correct.

19 Q. And on the other side of the end office
20 switch are the customers; right?

21 A. Correct.

22 Q. And you can get compensation for doing end
23 office switching functions as a local exchange
24 carrier; correct?

25 A. Yes.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. And you get -- then a different rate
2 applies or a different -- there is a different
3 charge for local switching for the local tandem
4 switching function; correct?

5 A. Yes.

6 Q. And, in fact, in transporting a call for
7 another provider, you could perform the functions
8 that would entitle you to both local tandem
9 switching and end office switching for a single
10 call; correct?

11 A. Yes, again with the understanding that
12 everything that we've talked about so far is within
13 the context of the traditional hierarchical
14 switching network that the incumbents have
15 deployed. I don't think that when we start talking
16 about CLECs that the same definitions or functions
17 in network architecture for compensation applies.

18 Q. Well, would you agree with me that if MCI
19 switches a call from one switch and it's then
20 destined immediately for an end user that MCI is
21 not performing a tandem switching function as that
22 term has been used with respect to BellSouth's
23 network?

24 A. As that term has been used with respect to
25 BellSouth's network, that's correct.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 Q. And where does the obligation for
2 BellSouth to compensate MCI for the tandem
3 switching function come from?

4 A. It comes from the provisions in the FCCs
5 rules that 51.711A.

6 Q. And I guess to put a point on our dispute,
7 is it your testimony that when the FCC used the
8 phrase tandem switching function, it was referring
9 to something other than tandem switching function
10 as used in the BellSouth network?

11 A. I'm a little hesitant to answer that
12 question without the specific language that you're
13 referring to in front of me.

14 Q. And I would have made a more specific
15 question if I had it in front of me. Look at Mr.
16 Varner's testimony at -- do you have a copy of
17 that?

18 A. My attorney does.

19 Q. It's his direct at page 76.

20 A. Okay.

21 Q. Lines eight through twelve.

22 A. Okay. I'm familiar with that.

23 Q. And the FCC is talking about a function
24 similar to those performed by an incumbent LEC's
25 tandem switch, to the extent we're talking about a

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 functionality requirement at all, we're talking
2 about a tandem switching function of the ILEC;
3 correct?

4 A. Yes.

5 Q. Now is your opinion that the FCC's rule
6 should be read as imposing only a geographic
7 comparability requirement?

8 A. Yes.

9 Q. Now if MCI performs a tandem switching
10 function similar to that performed by a LEC switch,
11 there's no disagreement with the parties -- between
12 the parties over your entitlement to the tandem
13 interconnection rate, is there?

14 A. There doesn't appear to be, no.

15 Q. The dispute here seems to be that if
16 you've got a switch which we would refer to as an
17 end office switch that is serving a geographic area
18 similar to BellSouth's, you believe you are
19 entitled to the tandem switching rate, as well; is
20 that right?

21 A. I'm not sure that you meant to leave this
22 off, but you said comparable to BellSouth. And
23 again, I think the comparison is between the end
24 office switch that we would have and the BellSouth
25 tandem. And with that geographic comparison then,

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 yes, it's true. I mean, that's the way I read the
2 FCC's rules.

3 Q. Now, would you also be entitled to end
4 office switching compensation?

5 A. Yes, my understanding of the term LEC
6 tandem interconnection rate as used by the FCC
7 would include both tandem and end office and
8 transport.

9 Q. Let's posit a situation where you have an
10 end office switch located out in, you know, in
11 proximity to a neighborhood, and BellSouth delivers
12 a call all the way to that end office on its --
13 over its own facilities and you switch the call and
14 take to an end user.

15 Is it your testimony that if that end
16 office switch serves an area in geographic
17 comparability to BellSouth, that you'd be entitled
18 to the tandem interconnection rate; correct?

19 A. Yes.

20 Q. Now, would you also be entitled to any
21 sort of termination or transport in that example?

22 A. Well, what I'd -- what I'd tried to say a
23 minute ago is that the way I read the term LEC
24 tandem interconnection rate, it involves all of
25 those functions. It is not just the tandem

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 switching, but the tandem interconnection rate as I
2 understand it means tandem and transport and end
3 office switching.

4 Q. Now, what would be the transport in that
5 example?

6 A. In the example that you posited, it would
7 be -- well, actually there's a -- there's a piece
8 of information that we haven't discussed yet that
9 we kind of need to get to in order to -- to really
10 get at that. And that is the nature of the kind of
11 network that MCI has deployed.

12 And as you know, that's a fiber ring
13 network that is -- is not made up of hub and spoke
14 kind of configuration, but rather a series of
15 interconnecting fiber rings where a call to a given
16 end user from our switch could traverse, you know,
17 one to even three fiber rings and have several
18 intelligent nodes where it's jumping off one fiber
19 ring, jumping onto another ring in order to get to
20 its ultimate destination.

21 So there's -- there's really not a direct
22 correlation between that kind of network
23 architecture that we use to serve end users and the
24 traditional hub and spoke arrangement that
25 BellSouth has deployed.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 And likewise there's -- it's difficult to
2 make direct comparisons with the terms that we use
3 to describe compensation because those terms were
4 developed with the hub and spoke or hierarchical
5 network architecture in mind. I mean, if we go
6 back to the fiber rings, you could argue that
7 there's an analogy with at least some of those
8 fiber rings to the transport function.

9 It's not -- it's not a perfect analogy,
10 but there is -- there is certainly similarities
11 between that part of our network that may exist
12 behind our switch compared to just a straight, you
13 know, twisted copper pair of something that's used
14 to terminate traffic behind a BellSouth end office
15 switch.

16 Q. Well, just let's use as an example a
17 situation where I presume occurs at least in some
18 instances in your network where you have a customer
19 who has got a direct facility between his premises
20 and your end office; okay.

21 A. Well, if by direct facility we can
22 understand that that would mean what we call on net
23 where they are actually physically connected to
24 fiber, it may direct, it may be indirect, if that
25 particular fiber ring isn't the one that connects

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 to our switch.

2 Q. Okay. Assuming that we have a direct
3 connection between the end user and the MCI end
4 office switch as we, as I refer to it, and
5 BellSouth carries traffic to that end office switch
6 using all of its own facilities and hands it off to
7 MCI, describe the transport that would be involved
8 in you delivering that call to the end user.

9 A. Well, it's kind of what I was trying to
10 get at a minute ago when I was talking about the
11 fiber rings that exist behind the switch because
12 those are in large part analogous to the transport
13 part of BellSouth's network between its tandems and
14 its end offices.

15 The same type of transmission medium is
16 used a lot of times. Your transport is SONNET;
17 again, our fiber rings are SONNET. So they -- in
18 many respects, the fiber rings look a lot more like
19 transport than they do like a loop especially when
20 you think of a loop as twisted copper that's point
21 to point.

22 Q. Well, let's try to get at it a different
23 way. In a BellSouth -- let's use the BellSouth
24 network example. If there is a call coming from
25 MCI that is handed to a BellSouth tandem switch, if

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 BellSouth takes that call, switches it, transports
2 it to an end office switch and then delivers it to
3 the customer over twisted cable, my understanding
4 of the tandem interconnection rate is that
5 BellSouth would be compensated for the switching
6 function of the tandem, transport to the end
7 office, and then the end office switching function;
8 correct?

9 A. Yes.

10 Q. What additional elemental compensation
11 would BellSouth get for taking the call from the
12 end office switch to the customer?

13 A. Beyond what you've already described,
14 which is -- I mean, the last piece of that was the
15 end office switching, the answer is none, none in
16 the way of no additional compensation.

17 Q. Now going back to my example, if MCI --
18 and I realize you've said several times that they
19 could have a situation where there were fiber rings
20 and the facilities didn't go directly to the
21 customer.

22 But I'm asking you for -- to -- to answer
23 the question assuming that beyond MCI's particular
24 end office switch in my hypothetical, there is a
25 direct connection to that customer and only that

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 customer, what transport function would be
2 performed by MCI in a situation where BellSouth
3 handed a call off to the end office switch?

4 A. In that scenario as you've posited it,
5 there is no -- there is no transport, but then we
6 don't provide services that way.

7 Q. Okay. Now -- and nevertheless, you would
8 argue for compensation from BellSouth for the
9 tandem switching, transport and end office
10 switching for the termination of that call; right?

11 A. I can't agree with that. And the reason
12 that I can't is because of the way that you've set
13 up the hypothetical. I mean, I've already said
14 that's not the way that we provide services.
15 There's not just a single connection to a
16 particular end user behind the switch.

17 Q. There's no circumstance where you have one
18 end user behind a switch?

19 A. I would certainly hope not.

20 Q. Some customer has to be the first customer
21 that gets service off of that switch; correct?

22 A. Okay, yes.

23 Q. And for some period of time that single
24 customer will be the only customer on the other
25 side of that switch; right?

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 A. Correct.

2 Q. Okay. When completing calls to that
3 customer in my hypothetical, is it your position
4 that MCI will be entitled to the tandem switching,
5 transport and end office switching rates, if -- if
6 you met the geographic comparability test that you
7 believe applies?

8 A. And the only other concern, I guess, that
9 I'm having with the way that I understand your
10 hypothetical is that, quote, direct connection as
11 opposed to the existence of, you know, fiber
12 facilities that would be -- that would be more than
13 just a, quote, direct connection to that particular
14 end user. That's why I said earlier that's not the
15 way that we design our networks.

16 Q. Do you think it's a fair reading of the
17 FCC rules to say that the geographic comparability
18 test was a -- was a method of determining whether
19 the CLEC was performing the tandem switching
20 function?

21 A. Yes.

22 MR. TWOMEY: All right. It's only
23 3:20, but I don't want to make you miss
24 your plane. I've been in terrible traffic
25 going to the airport.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 **MS. BERLIN:** It's very scary.

2 **MR. TWOMEY:** But in any event, I can't get
3 through another issue in less than ten minutes.
4 So I don't think we have a lot to go.

5 I mean, we've covered, at least by my
6 calculation, all of what I would describe
7 as, you know, the larger issues. There
8 are a number of issues left, but none of
9 which I think would take a lot of time.

10 I think if we could set up an hour or
11 so, maybe an hour and a half or so, at
12 some later time to complete the deposition
13 by telephone, that would be satisfactory
14 with me.

15 **THE WITNESS:** Well, I appreciate your...

16 **MR. TWOMEY:** Folks on the call, I don't
17 know if you all were on the call at the time we
18 discussed this this morning. But Mr. Price has
19 a plane to catch and I had agreed to go until
20 around 3:30 to allow him to catch his plane.

21 He was available yesterday and we had some
22 scheduling problems which caused us to need to
23 postpone it until today. Obviously we will
24 send out a new notice of a telephone deposition
25 with Mr. Price at some point, probably in the

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 next week and a half.

2 MS. BANKS: Okay. This is Felicia Banks
3 with the Florida Public Service Commission.
4 That's fine.

5 MS. BANKS: I have one more question, Mr.
6 O'Rourke. Hello.

7 MR. TWOMEY: Mr. O'Rourke is not here.

8 MS. BANKS: Oh, he's gone. Okay. I have
9 a question. With the issues I've just gone
10 down my checklist, what number did we leave off
11 at? I was I guess around -- between 51 and 53.

12 MR. TWOMEY: Well, we were -- we were
13 talking about 51.

14 MS. BANKS: Okay. Okay.

15 MR. TWOMEY: I'm not sure we're finished
16 talking about 51, but that's where we were.

17 MS. BANKS: Okay, I just wanted to confirm
18 that. Okay.

19 MR. TWOMEY: All right. And let's go back
20 on the record just for a second. And just so
21 there's no confusion or misunderstanding,
22 obviously, we're terminating the deposition at
23 this point based on mutual scheduling issues.
24 First ours by not being able to start yesterday
25 and yours by your needing to catch a plane.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

1 I'm not waiving my right to ask the
2 additional questions later on some issues that
3 we've already covered.

4 MS. BERLIN: Agreed.

5 (Whereupon, the foregoing matter was
6 concluded at 3:20 P.M.)

7 -oOo-
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

C E R T I F I C A T E

STATE OF GEORGIA)

COUNTY OF NEWTON)

I, Lisa A. Singley, Certified Court Reporter, and Notary Public in and for Newton County Georgia, do hereby certify that the foregoing deposition was taken down by me, as stated in the caption; that the foregoing questions and answers were reduced to print by me; that the foregoing pages 4 through 175 represent a true, correct, and complete transcript of the evidence given by the witness, **DON PRICE**, who was first duly sworn by me; that I am not a relative, employee, attorney or counsel of any of the parties; that I am not a relative or employee of attorney or counsel for any of said parties; nor am I financially interested in the outcome of the action.

This, the 24th day of August, 2000.

LISA A. SINGLEY, CCR-B-1616
Notary Public

My commission expires:
December 10, 2002.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

ERRATA SHEET

I hereby certify that I have read or have had read to me the foregoing and within Pages 4 through 176, no changes are required:

DON PRICE

Sworn to and subscribed before me, this ____ day of _____, 2000.

Notary Public

My commission expires: _____

I hereby certify that I have read or have had read to me the foregoing Pages 4 through 176 and I wish to make the following changes:

Page: ____ Line: ____ : _____

Page: ____ Line: ____ : _____

Page: ____ Line: ____ : _____

Page: ____ Line: ____ : _____

Page: ____ Line: ____ : _____

DON PRICE

Sworn to and subscribed before me, this ____ day of _____, 2000.

Notary Public

My commission expires: _____

(LAS)

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
Covington, Georgia 30015
(770) 788-2373

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re: Petition of MCImetro :
 Access Transmission Services, LLC :
 and MCI Worldcom Communications, :
 Inc., for Arbitration of Certain :
 Terms and Conditions of Proposed : DOCKET NUMBER
 Agreement with BellSouth : 11901-U
 Telecommunications, Inc., :
 Concerning Interconnection and :
 Resale Under the Telecommunications :
 Act of 1996. : **AMENDED CERTIFICATE**

As of this date, the undersigned has been advised by counsel for BellSouth that a hearing in the above-styled matter has been set for the week of August 28, 2000. Therefore, pursuant to his instructions, the original of DON PRICE is hereby sealed for use at said hearing and pending signature by the Deponent to be filed at a later time, if so executed.

This, the 24th day of August, 2000.

 LISA A. SINGLEY, B-1616
 Notary Public

My Commission Expires:
 December 10, 2002.

VERBATIM COURT REPORTERS, INC.

P.O. Box 2637
 Covington, Georgia 30015
 (770) 788-2373

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

IN RE: PETITION OF MCIMETRO)
ACCESS TRANSMISSION SERVICES,))
LLC AND MCI WORLDCOM)
COMMUNICATIONS, INC. FOR)
ARBITRATION OF CERTAIN TERMS) DOCKET NO.
AND CONDITIONS OF PROPOSED) 11901-U
AGREEMENT WITH BELL SOUTH)
TELECOMMUNICATIONS, INC.)
CONCERNING INTERCONNECTION)
AND RESALE UNDER THE)
TELECOMMUNICATIONS ACT OF)
1996)

ORAL DEPOSITION OF
DON PRICE
FRIDAY, AUGUST 25, 2000

ORAL DEPOSITION OF DON PRICE, produced
as a witness at the instance of BellSouth
Telecommunications, and duly sworn, was taken in
the above-styled and numbered cause on the 25th
day of August 2000, before Steven Stogel, CSR in
and for the State of Texas, reported by machine
shorthand, at the offices of MCI WorldCom,
701 Brazos, Suite 600, Austin, Texas, 78701.

1 A P P E A R A N C E S

2

3 FOR MCI WORLDCOM:

4 MR. DULANEY L. O'ROARK (Via Telephone)
5 MS. SUSAN BERLIN (Via Telephone)
6 MCI Telecommunications Corporation
7 6 Concourse Parkway, Suite 600
8 Atlanta, Georgia, 30328
9 - and -
10 MR. ALFRED R. HERRERA
11 701 Brazos, Suite 600
12 Austin, Texas, 78701
13 (512)495-6841

9

10 FOR BELL SOUTH:

10

11 MR. BENNETT L. ROSS (Via Telephone)
12 BellSouth Telecommunications, Inc.
13 675 West Peachtree Street, NE
14 Suite 4300, BellSouth Center
15 Atlanta, Georgia, 30375-0001
16 (404)335-0793

14

15

16

17

18

19

20

21

22

23

24

25

1 I N D E X

2 PAGE

3 Appearances..... 2

4 Stipulations..... Attached

5
6 DON PRICE

7 Examination By Mr. Ross..... 4

8 Signature and Changes..... 147

9
10 Reporter's Certificate..... 149

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1 P R O C E E D I N G S

2 FRIDAY, AUGUST 25, 2000

3 (8:03 a.m.)

4 DON PRICE

5 having been first duly sworn, testified as
6 follows:

7 EXAMINATION

8 BY MR. ROSS:

9 Q Mr. Price, good morning. This is
10 Bennett Ross.

11 A Good morning.

12 Q This is a continuation of a deposition
13 in connection with the MCI arbitrations that
14 actually began last week. And while last week
15 was done in person, of course, this time we're
16 doing it over the telephone. I will do my best
17 to try to articulate my questions clearly, but
18 if at any time you do not understand my
19 question, please let me know, and I'll be happy
20 to rephrase it. All right?

21 A Yes. Thank you.

22 Q Did you bring with you this morning
23 your testimony in any of the states in which you

24 have filed?

25 A Yes. I have the Georgia testimony with

5

1 me.

2 Q Okay. Good. That's what I have in
3 front of me as well. I believe when you
4 concluded your examination by Mr. Toomey, you
5 were discussing Issue 51, which relates to the
6 tandem interconnection rate. Is that correct?

7 A Yes, it is.

8 Q And I believe during his examination,
9 Mr. Toomey gave you two exhibits which reflected
10 the area served by BellSouth's tandem in
11 Raleigh, North Carolina. Do you recall that?

12 A Yes, I do.

13 Q And I believe at the time Mr. Toomey
14 was deposing you, he asked whether you knew
15 which of those wire centers served by
16 BellSouth's tandem in Raleigh were also served
17 by MCI, and I believe you had indicated that you
18 did not know that information at that time. Is
19 that correct?

20 A That is correct.

21 Q Have you, since your deposition last
22 Friday, undertaken to identify which of those

23 wire centers on that exhibit are in fact served
24 by MCI?

25 A No, I have not. And I apologize for

6

1 that. I probably have the information that I
2 need to verify that in my -- in my files here at
3 this office.

4 Q Okay.

5 A And to the extent that we, you know,
6 take a break in a little bit, I'd be glad, at
7 that time, to go look at the information in my
8 file and see if I can refresh my memory as to
9 that.

10 Q That would be fine. I think that's a
11 good plan.

12 MR. ROSS: Good morning. Did
13 somebody just join us? Hello?

14 MS. BANKS: Hello. Can you hear
15 me?

16 MR. ROSS: Yes.

17 MS. BANKS: Okay. This is Felicia
18 Banks with the Florida Service Commission.

19 MR. ROSS: Good morning, Felicia.
20 This is Bennett Ross with BellSouth. We just
21 started a few minutes ago.

22 MS. BANKS: Okay. I want to say
23 that Patty Christianson is actually going to be
24 sitting in.

25 MR. ROSS: Okay.

7

1 MS. BANKS: But she's just getting
2 in, so I'm giving her a few minutes to get set
3 up. But I want to go ahead and come in on the
4 line. We both got the e-mail late yesterday
5 concerning the notice, so we both had already
6 left.

7 MR. ROSS: And I apologize for
8 that.

9 MS. BANKS: That's fine.

10 MR. ROSS: It was on my list to
11 do, and I didn't have either of your e-mails, so
12 I sent it to the folks I did have e-mails for.

13 MS. BANKS: That's fine. It got
14 forwarded, but we both had left by that time.

15 MR. ROSS: Okay.

16 MS. BANKS: So I just got it this
17 morning, and she just came in. So I'll be
18 sitting in on the line until she comes in.

19 MR. ROSS: That's fine. The court
20 reporter is in Austin with Mr. Price.

21 MS. BANKS: Okay.
22 MR. ROSS: We just started a
23 minute ago.
24 MS. BANKS: Okay.
25 Q (By Mr. Ross) Mr. Price, we're talking

8

1 about Issue 51 and the tandem interconnection
2 issue. Is it fair to say that the parties
3 disagree as to the appropriate test that ought
4 to be applied in determining whether or not MCI
5 is entitled to the tandem interconnection rate?

6 A Yes. I'd say that's true. There is a
7 disagreement as to the test.

8 Q And the disagreement centers around
9 whether or not there are two parts to the test
10 in BellSouth's view or just one part of the test
11 as in MCI's view. Correct?

12 A Yes.

13 Q And BellSouth's view, of course, is
14 that in addition to the geographic comparability
15 test, there also is a functionality test that
16 must be satisfied by MCI in order to be entitled
17 to the tandem interconnection rate. Correct?

18 A Yes.

19 Q And the proposed language that MCI has

20 offered in the interconnection agreement does
21 not refer to the functionality issue at all,
22 does it?

23 A I believe that is the case. I do not
24 have that language directly in front of me now.

25 Q In looking -- in looking at the

9

1 functionality that MCI switches perform -- and
2 let's look at North Carolina -- or talk about
3 North Carolina. As I understand it, MCI has a
4 single switch in North Carolina located
5 somewhere in the Raleigh LATA. I believe maybe
6 Cary, North Carolina?

7 A That's my understanding.

8 Q Does that single switch perform the
9 switch trunk function of connecting trunks to
10 trunks?

11 A Not in the way that -- that that term
12 would be used in the context of a traditional
13 hierarchical switching arrangement such as that
14 which BellSouth has deployed throughout its
15 network, no.

16 Q And I apologize if I'm flipping pages,
17 but I'm looking between two sets of testimony.
18 It may be coming over the telephone. Let's talk

19 a little bit about Issue 52.

20 A All right, sir.

21 Q Which deals with the question of
22 non-presubscribed intraLATA toll calls. Can you
23 explain, just briefly, your understanding of
24 what the issue in dispute here is?

25 A Yes. In this issue, as well as a few

10

1 of the others that are in dispute, there is a
2 difference between the parties as to the
3 appropriate means of billing for either access
4 or reciprocal compensation when more than two
5 carriers are involved in the handling of the
6 call. And in this specific issue, it involves
7 an intraLATA toll call where BellSouth is the
8 default carrier. And the question is really
9 over whose responsibility it is to pay MCI metro
10 the access charges that it is due for the
11 termination -- or the completion of that
12 intraLATA toll call.

13 Q All right. And maybe if I could use an
14 example to illustrate what I think you just
15 said. This is a case where, for example, a
16 customer in let's say Raleigh -- in the Raleigh
17 LATA is making a telephone call, and this

18 customer is not -- does not have a presubscribed
19 toll carrier -- intraLATA toll carrier. Is that
20 correct?

21 A I understand that that arrangement
22 exists, and that in such an arrangement,
23 BellSouth would be the, quote, default, end
24 quote, intraLATA toll carrier.

25 Q Right. And I guess what we're trying

11

1 to determine is a circumstance where you have a
2 customer who does not have a presubscribed
3 intraLATA toll carrier who is making a call to
4 MCI, and that call transits BellSouth's network.
5 Is that correct?

6 A I would say what you just said slightly
7 differently. You said to MCI, and I would say
8 to an MCImetro local customer.

9 Q That's fair enough. And it is MCI's
10 position that BellSouth should pay the -- any
11 access charges that would be due on that call.
12 Is that correct?

13 A Yes. And as I stated at the outset on
14 this issue, in our view, that's perfectly
15 consistent with the billing arrangements that
16 we've discussed in the context of other related

17 issues.

18 Q And what other related issues would you
19 be referring to?

20 A The -- there is an issue pertaining to
21 Type 1 and 2A CMRS providers. I believe that's
22 Issue 39. There is a related issue, No. 45,
23 that has to do with simply transit traffic and
24 the routing and billing arrangement associated
25 with that. There may be others, but in my view,

12

1 all of those are similar in that they involve
2 the appropriate billing arrangement where you
3 have more than two carriers involved in the
4 call, and BellSouth in, I think, each instance
5 is a transit or an intermediate carrier.

6 Q Okay. And I guess that's something we
7 need to make clear in that when we're talking
8 about Issue 52, we are talking about a call that
9 is being originated by a customer -- someone
10 other than BellSouth. Correct?

11 A Correct.

12 Q So let's pick an independent in North
13 Carolina. Let's take Sprint. The Sprint
14 customer is calling -- making an intraLATA toll
15 call to an MCI customer, and that call is

16 transitting y'all's network. Is that correct?

17 A Yes.

18 Q Now, would you agree with me, in the
19 hypothetical that we just discussed, BellSouth
20 is not the originating carrier?

21 A Yes.

22 Q Is it not the case that in most
23 instances the originating carrier is responsible
24 for access charges?

25 A And my understanding is that that

13

1 depends on the billing arrangement under the
2 OBF, the ordering and billing form, that the
3 carriers choose. It may be the case that the
4 originating carrier is responsible. It may be
5 the case that there is a different type of
6 arrangement where the originating carrier pays
7 the -- in this instance, what I referred to
8 earlier as the transit carrier or the
9 intermediate carrier, who is then responsible as
10 part of the arrangement with the terminating
11 carrier to make compensation.

12 Q Well, what is your understanding of
13 what the OBF says in the way of billing
14 guidelines for the circumstance that we've just

15 described? I mean, is it your testimony the OBF
16 leaves it up to the carriers themselves to
17 negotiate?

18 A There are different options under the
19 OBF guidelines, each of which will allow,
20 presumably, the exchange of the necessary
21 information for billing. But those guidelines
22 do not dictate a specific option. And it's my
23 understanding that the carriers between
24 themselves can choose between those options, one
25 of which, I understand, would allow BellSouth to

14

1 then be responsible in the circumstances that
2 we're describing.

3 Q And what are the other options that you
4 understand the OBF guidelines provide for?

5 A It sounds a little flippant, but I
6 think an every-man-for-himself kind of
7 arrangement is at least one of the other
8 guidelines. And, frankly, I can't articulate
9 the difference between those two and the third
10 one.

11 Q Okay. And is it correct that one of
12 the options under the OBF guidelines is for the
13 originating carrier to be responsible for access

14 charges?

15 A Yes. That's what I characterized as
16 sort of an every-man-for-himself arrangement.

17 Q Why is it that in your view BellSouth
18 assuming responsibility for toll access charges
19 is preferable than the originating carrier
20 assuming responsibility for such charges?

21 A I think the fact that BellSouth is the
22 default carrier puts BellSouth in a pivotal
23 position with respect to the other carriers that
24 are involved. BellSouth obviously has the
25 appropriate business relationships with the

15

1 independent telephone companies whose customers
2 would be originating such traffic as we're
3 describing here. Obviously, BellSouth has a
4 business relationship with MCImetro and other
5 CLECs, and there would appear to be some
6 administrative efficiencies associated with the
7 type of process that we're proposing.

8 Q Are those administrative efficiencies
9 from MCI's view or from BellSouth's view?

10 A Well, certainly from MCI's view, and
11 potentially from BellSouth's view as well. And
12 I'm assuming that there may well be similar

13 arrangements that exist. And, in fact, in
14 the -- in the context of one of the other two
15 issues that I had previously mentioned, the
16 arrangement that we're describing is consistent
17 with BellSouth's position, as I understand it.

18 Q And which issue is that? Is that the
19 wireless issue you're talking about?

20 A Yes.

21 Q Let's put aside the -- would you agree
22 with me there are some technical issues
23 associated with identifying wireless traffic
24 that are not applicable in the circumstance that
25 we're talking about here; that is, transit

16

1 intralATA toll traffic?

2 A There may be.

3 Q So I'm clear, MCI's position is that
4 BellSouth should pay the access charges for an
5 originating carrier and then turn around and
6 collect -- bill, in fact, the originating
7 carrier for the access charges BellSouth has
8 paid. Is that correct?

9 A As -- I mean, there's probably other
10 ways to articulate what you've just said, but,
11 essentially, that's one way to put it.

12 Q Now, of course, MCI -- if MCI, in fact,
13 had a direct relationship with each of these
14 independent companies, we wouldn't even have
15 this category of traffic called transit traffic,
16 would we?

17 A Well, I can accept the fact that given
18 the assumption that you've made, that would
19 not -- that there would be -- I can agree with
20 what you said based on the assumption that you
21 made in the beginning of your sentence. I don't
22 agree with the assumption that it's necessarily
23 appropriate to have direct -- especially from an
24 engineering and a trunking standpoint -- direct
25 connections between every carrier. I mean, the

17

1 whole concept of centralized switching is based
2 on the efficiencies associated with centralizing
3 those functions, as opposed to having to have a
4 direct connection with each and every person
5 that's on the network.

6 Q All right. But if, in fact, MCI had
7 direct trunking to all the various independents,
8 BellSouth would not be providing transit service
9 to MCI, would it?

10 A That result flows logically from the

11 assumption in your question, yes.

12 Q All right. In your view -- and I know
13 you're not a lawyer -- does MCI believe that
14 BellSouth is required to provide a transit
15 function?

16 A I think -- I mean, obviously there is a
17 requirement for all carriers to interconnect.
18 And -- I mean, we're slicing that issue, I
19 think, much more finely with respect to your
20 question, because as I said earlier, there are
21 certainly efficiencies that are associated with
22 the use of existing interconnections on the
23 BellSouth network to eliminate the need for
24 multiple inefficient interconnections between
25 carriers that don't exchange very much traffic

18

1 with each other.

2 You know, I guess I could -- I guess I
3 could make the argument that for BellSouth to
4 impose on all carriers a requirement that they
5 will only interconnect with those carriers for
6 purposes of traffic that BellSouth exchanges
7 with those carriers would create an economic
8 burden that's, in my view, not consistent with
9 the intent of Congress in passing the act. But,

10 as you said, you know, that's not a lawyer's
11 opinion. That's a layman's opinion.

12 Q That's fine. So, if I understand
13 correctly MCI's position, BellSouth has an
14 existing network that interconnects with just
15 about everybody; CLECs, independents, wireless
16 carriers. Correct?

17 A Yes.

18 Q And rather than duplicate that network,
19 MCI relies upon BellSouth to transit traffic
20 from these third-party carriers to MCI's
21 customers. Correct?

22 A Correct. And, you know, obviously
23 there is a point at which the traffic volumes
24 between MCI and another carrier would justify a
25 separate direct connection, but that's an

19

1 engineering question.

2 Q Okay. And that would be purely an
3 economic decision that MCI would make in its
4 presumably economic best interest. Right?

5 A In -- to some extent. There would
6 presumably be some negotiations with the other
7 carrier to make sure that it was economically in
8 both carriers' interest, but, yes.

9 Q Yeah. But presumably, if it were in an
10 independent company's financial best interest to
11 directly interconnect with MCI but it was not in
12 MCI's financial best interest to directly
13 interconnect with that particular independent,
14 MCI could refuse to do so?

15 A Putting all other factors aside, yes.

16 Q And in lieu of directly interconnecting
17 with that third-party carrier, MCI could rely
18 upon BellSouth to perform a transit function to
19 get that independent company's customer traffic
20 to MCI's customers. Correct?

21 A Yes.

22 Q And in addition to providing this
23 transit function, MCI's position is that
24 BellSouth should assume responsibility for
25 paying access charges for the intraLATA toll

20

1 traffic. Correct?

2 A Yes.

3 Q And that BellSouth should also pay
4 reciprocal compensation to MCI for all the local
5 traffic that is being transitted across
6 BellSouth's network to MCI?

7 A Yes. Of course, net of whatever

8 compensation BellSouth was due for the
9 transitting function that it was providing.

10 Q And the transitting function that it is
11 providing and the transit charges is simply the
12 transit switching. Is that correct?

13 A I think that's a fact specific question
14 that would depend on the nature of the economic
15 arrangement between BellSouth and the other
16 carriers. I mean, there may be instances in
17 which BellSouth is entitled to a portion of
18 transport, perhaps, in addition to the
19 switching.

20 Q Well, let's talk about what MCI would
21 pay BellSouth for for performing a transit
22 function. To your knowledge, is MCI proposing
23 to pay anything other than the transit switching
24 costs?

25 A I can think of two very different

21

1 scenarios that would have potentially different
2 answers to that. The one scenario, of course,
3 would be -- and if we're going to stay with our
4 North Carolina example, the -- a call
5 terminating to a customer that is served by our
6 physical assets -- in other words, our switch

7 and carry, I believe we agreed -- it may be that
8 by virtue of the interconnection between our
9 carry switch and BellSouth's switch, that there
10 would be nothing more than switching due for the
11 transitting function that BellSouth performed in
12 bringing that traffic to the interconnection.

13 The other situation that I can envision
14 would be if we were to begin serving residential
15 customers in the North Carolina market using
16 UNE-P -- the platform of unbundled network
17 elements -- then it may be that the arrangement
18 would be that BellSouth would be compensated for
19 all of the transport up to the terminating
20 switch, if that call was coming to an MCI metro
21 residential customer served by UNE-P from a
22 BellSouth switch.

23 Q And just so -- let's see if we can
24 clarify this a bit. In a UNE-P situation -- and
25 that's U-N-E, hyphen, P, all caps -- the

22

1 compensation you believe BellSouth would receive
2 would be the -- whatever UNE rates were
3 established for the platform?

4 A Yes. And again, specifically for a
5 call that originated from a third party that

6 transits BellSouth's network and then terminates
7 to an MCI metro residential customer served by
8 UNE-P, BellSouth would be entitled, I believe,
9 to compensation for the transport all the way to
10 the terminating end office.

11 Q Compensation from whom?

12 A I'm trying to remember the call flow
13 diagrams. There's about 30 of those that I've
14 seen for different call arrangements. I believe
15 that compensation would be due from the
16 originating carrier.

17 Q Well, BellSouth, in a normal situation
18 as you have described, where the originating
19 carrier's customer sends the call to MCI and
20 BellSouth is transitting, BellSouth is not
21 entitled to reciprocal compensation, is it?

22 A The -- I'm going to use a different
23 term, because the term as I understand it that
24 we often don't say when we say reciprocal
25 compensation is compensation for transport and

23

1 termination.

2 Q Right.

3 A And it is my understanding that
4 transport and termination charges -- I'm

5 sorry -- compensation would be due. And in the
6 case that I just described where the end user
7 customer is an MCImetro residential customer
8 served by UNE-P, the transport portion of the
9 compensation would be retained by BellSouth.

10 The only piece of compensation that
11 MCImetro would be due in that instance would be
12 the, quote, termination piece, because it's only
13 the line port at the terminating end office that
14 MCImetro is compensated -- has already
15 purchased, I should say.

16 Q Isn't the independent company entitled
17 to some transport to get it to BellSouth's
18 network?

19 A I tried to sort of hedge on that a
20 little bit ago, because I think to some extent
21 that depends on the nature of the relationship
22 between BellSouth and the independent and how
23 they interconnect. And I just don't know all
24 the potential permutations there.

25 Q Well, let's flip the call around and

24

1 have this call going from an MCI customer to an
2 independent customer through BellSouth. Okay?

3 A We've flipped the call completely 180

4 degrees?

5 Q Yes. It's just going in the other
6 direction under -- and let's -- we've kind of
7 shifted gears a little bit, but let's continue
8 talking about reciprocal compensation. In that
9 scenario, under MCI's proposal, of course MCI
10 would be responsible for, ultimately, reciprocal
11 compensation since its customer essentially
12 initiated the call that was transported and
13 terminated. Correct?

14 A Correct.

15 Q And under -- what is MCI's proposal as
16 to how that reciprocal compensation should be
17 recovered from MCI?

18 A Well, that's -- you know, as you said,
19 we've gotten a little bit away from the issues
20 here, because it's not my understanding that
21 that's one of the issues in dispute. My
22 understanding would be that MCImetro would be
23 responsible for the transport and termination
24 costs, if you will, of completing that call from
25 the -- from its residential UNE-P customer. And

25

1 in -- again, in keeping with the position that
2 we've taken on these other issues, I would

3 assume that that position would be that we would
4 compensate BellSouth for the entire transport
5 and termination function, and then presume that
6 BellSouth would remit whatever the independent
7 telephone company or whatever was -- was owed
8 for the termination piece.

9 Q All right. But would MCI claim that it
10 was entitled to any reciprocal compensation for
11 the transport portion or any compensation, if
12 you will, for getting the call from its network
13 to BellSouth's network?

14 A It -- and again, I'm -- I have not
15 looked at the call flows -- the diagrams that
16 depict the various possible calls in the way
17 that compensation flows would take place, but
18 it's my recollection that MCI metro would be
19 paying transport from the originating end office
20 in this example. Because again, the only piece
21 that we've leased on a month-to-month basis is
22 the line port.

23 Q Okay. How about in a situation where
24 we're not talking about the UNE-P? I think you
25 gave two examples. One was the UNE-P, and one

1 is the situation where it's MCI's own

2 facilities. Correct?

3 A Yes.

4 Q How does the analysis change when we're
5 talking about a situation where the customer is
6 being served by MCI's facilities?

7 A Well, are we back to the situation
8 where the end use customer is an MCImetro
9 customer and the call is terminating and
10 BellSouth is in a transitting situation such
11 that --

12 Q Yes. I'm sorry. Let's go back to the
13 original hypothetical where it's the independent
14 customer who is calling the MCI end user served
15 by MCI's facilities, and the call is transitting
16 BellSouth's network. In that situation, what
17 compensation do you believe BellSouth is
18 entitled to for providing, essentially, the
19 services that it is in that scenario?

20 A The compensation -- I believe this is
21 the way that you articulated it earlier. You
22 said that for the most part the compensation of
23 BellSouth would be owed there -- for its
24 function would generally be the tandem switching
25 function. Now, that presumes that the

1 independent has already compensated BellSouth or
2 is interconnected with BellSouth at a point near
3 the tandem. And that's -- again, that's a fact
4 situation that I'm simply not able to -- I don't
5 have all the facts on that.

6 Q Okay. But if the independent is not
7 interconnected near the tandem, there could be
8 additional transport costs that BellSouth would
9 incur in getting the call from the independent's
10 network to the MCI network?

11 A Yes.

12 Q Would you agree that there are costs
13 involved in performing a billing function?

14 A Yes.

15 Q And do you believe, in your view, that
16 there would be costs to BellSouth under MCI's
17 proposal that BellSouth bill, in this case,
18 intraLATA toll charges to the originating
19 carrier?

20 A Well, I guess my answer there is that
21 it's my understanding that BellSouth, for
22 whatever reason, has chosen to be the default
23 toll carrier, and thus, you know, willingly put
24 itself in the position of incurring those costs
25 as part of its responsibility for being the

1 default toll carrier.

2 Q Is BellSouth the default toll carrier
3 everywhere?

4 A I don't know.

5 Q Well, let's talk about the states where
6 MCI is arbitrating. To your knowledge, is
7 BellSouth the default toll carrier in Georgia?

8 A I really -- I have heard some
9 discussions about that issue. I am not -- I'm
10 not able to say one way or the other for any of
11 the states at this time.

12 Q And what -- what do you mean by the
13 phrase "default toll carrier"?

14 A As I understand that phrase, it would
15 mean that where an end user has chosen not to
16 select a primary interexchange carrier for
17 purposes of intraLATA traffic, that the traffic
18 would default -- on a one plus dialed
19 intraLATA call, that that traffic would default
20 to BellSouth to be the carrier handling that
21 call.

22 Q All right. And in looking at that
23 situation from just the two carrier perspective
24 where it's an end user from an independent who
25 is not presubscribed and makes an intraLATA toll

1 call to a BellSouth customer and BellSouth
2 serves as the default toll carrier, would
3 BellSouth be entitled to access charges?

4 A Actually, I would think in that
5 arrangement that the originating carrier would
6 be entitled to access charges for the functions
7 involved in the origination of that call.

8 Q Okay. So BellSouth would be
9 responsible for paying access charges to the
10 originating carrier in that scenario. Is that
11 correct?

12 A Yes. And then, as part of that
13 responsibility, entitled to the retail revenues
14 for the traffic.

15 Q But if we talk about the third-party
16 carrier scenario where now we have MCI on the
17 other end of BellSouth, that same originating
18 call will require, under MCI's proposal, that
19 BellSouth send a bill to the originating
20 carrier. Is that correct?

21 A I don't see that as any different from
22 the situation where BellSouth would terminate
23 that call to its own customer as opposed to a
24 third party. The putting of a third party's
25 customer at the terminating point of that call

1 does not change BellSouth's business arrangement
2 with respect to compensation to the originating
3 carrier.

4 Q Well, let me see if I can understand
5 this correctly. In the scenario where a Sprint
6 customer is calling a BellSouth customer and the
7 Sprint customer is not -- does not have a
8 presubscribed toll carrier -- are you with me so
9 far?

10 A Yes.

11 Q In that situation, if the Sprint
12 customer calls a BellSouth customer and
13 BellSouth provides the intraLATA toll service as
14 the default carrier, BellSouth would owe Sprint
15 access charges for originating service, and it
16 would get to keep some retail revenue from the
17 actual end user. Correct?

18 A I believe that's the case. Again, I am
19 not completely familiar with the processes in
20 the BellSouth states, but that -- that type of
21 situation, to me, would be very -- very
22 commonsensical and consistent with what I'm
23 aware of in other states.

24 Q Okay. So, in that scenario, where is
25 BellSouth sending Sprint a bill for providing a

1 transit function?

2 A Well, BellSouth would be sending Sprint
3 a -- no. You're right. They wouldn't be
4 sending a bill. They would be remitting to
5 Bell -- to Sprint compensation for originating
6 access.

7 Q Right. So Sprint would be sending
8 BellSouth a bill, and BellSouth would be sending
9 Sprint a check. Right?

10 A Correct.

11 Q But now let's talk about the
12 three-carrier scenario, and now we have MCI on
13 the other end where the Sprint customer who is
14 not presubscribed to a specific toll carrier
15 calls an MCI customer, and the call goes through
16 MCI's network. Okay?

17 A Right.

18 Q In that scenario, under MCI's proposal,
19 BellSouth would, in fact, have to pay -- send a
20 check to MCI for the toll charges. Correct?

21 A I'm sorry. I thought we were still
22 with the Sprint end user customer originating
23 the call. Did we change the hypothetical?

24 Q We're still on that same scenario. What
25 payments are supposed to be made to MCI, if any,

1 in that scenario?

2 A Payments for terminating access.

3 Q Okay. Who has to pay those terminating
4 minutes under MCI's proposal?

5 A BellSouth.

6 Q Okay.

7 A And again --

8 Q BellSouth has to send -- MCI sends
9 BellSouth a check -- or I'm sorry -- an invoice,
10 presumably, and BellSouth turns around and sends
11 MCI a check. Correct?

12 A Correct.

13 Q And this is under MCI's proposal?

14 A Correct.

15 Q BellSouth, then, in turn, would have to
16 send Sprint a bill to try to collect the access
17 charges it has already paid MCI. Is that right?

18 A I'm not following you with that.

19 Q Well, how is it that BellSouth is to
20 collect the access charges that it has paid to
21 MCI for terminating access?

22 A As part of the retail revenues that it
23 got for being the default toll carrier.

24 Q I see. So here the originating carrier

25 pays nothing under MCI's proposal?

33

1 A Well, they performed an originating
2 function -- an originating access function for
3 the placing of the call. So, no, they would not
4 be charged anything. I'm -- yeah, they would
5 not be charged anything.

6 Q Do you have your rebuttal testimony in
7 Georgia in front of you?

8 A Yes, I do.

9 Q On Lines 10 through 13 --

10 A Which page are you at?

11 Q I'm sorry. Page 52 of Issue 52.

12 A All right.

13 Q You say, "A more precise way to
14 characterize the call is that BellSouth is
15 providing the service to its customer, the end
16 user that originated the call, and the ICO is
17 providing originating access to BellSouth." Is
18 that correct?

19 A Yes.

20 Q I'm just -- I'm confused about -- you
21 say that the independent is providing
22 originating access service to BellSouth, and
23 that's the Sprint example we were just talking

24 about. Is it your -- MCI's proposal that the
25 independent would get paid nothing from

34

1 BellSouth for providing that originating
2 access --

3 COURT REPORTER: Access what? I'm
4 sorry.

5 A Could you repeat the question, please?

6 Q (By Mr. Ross) Yes. Under MCI's
7 proposal, even though the independent in our
8 example, Sprint, is providing originating access
9 service to BellSouth, Sprint would get nothing
10 from BellSouth for providing that access
11 service?

12 A No, that's not correct.

13 Q Okay. So it is correct that BellSouth
14 would, in fact, have to pay something to Sprint
15 as the originating carrier?

16 A Yes. And I believe that's consistent
17 with Lines 12 and 13 of the referenced part of
18 my testimony.

19 Q Okay. And you don't know in what
20 states BellSouth serves as the default toll
21 provider?

22 A Not specifically, no.

23 Q How does the situation change if
24 BellSouth is not the default toll provider?
25 A If BellSouth is not the default toll

35

1 provider, then the call would be handed off by
2 the independent to an interexchange carrier,
3 and the interexchange carrier would be
4 responsible for paying originating and
5 terminating access to have that call completed
6 and would retain the net of those charges based
7 on what it billed the end user for the call.
8 It's absolutely consistent with the arrangement
9 that we just described, except for the fact that
10 there would be CABS billing between the
11 interexchange carrier and the originating and
12 terminating LECs, if you will.

13 Q Okay. So is it your testimony in this
14 case the situation of this language only arises
15 when BellSouth is the default toll carrier?

16 A I believe so, yes.

17 Q So, in other words, if BellSouth is not
18 the default toll provider, there is no such
19 thing as non-presubscribed toll transit traffic
20 that would be at issue between us?

21 A I'm about 89 percent certain that I

22 agree with that. If you could, just say it one
23 more time.

24 Q Certainly. I'll ask you about how you
25 arrived at that percentage in a minute. The

36

1 issue, as it's described, is should BellSouth be
2 required to pay access charges to WorldCom for
3 non-presubscribed intraLATA toll calls handled
4 by BellSouth. And I'm just reading from your
5 testimony on Page 50 through your rebuttal in
6 Georgia. Okay?

7 A Yes.

8 Q And my question was, when BellSouth is
9 not the default toll carrier in a particular
10 state, there is no such thing as
11 non-presubscribed intraLATA toll calls being
12 handled by BellSouth?

13 A Yes, there is no such thing where we're
14 talking about a call that was handled by the
15 presubscribed carrier.

16 Q Okay. It's my understanding that this
17 issue, 52, has been settled in North Carolina
18 and, I believe, Georgia.

19 MR. ROSS: De, do I have that
20 right?

21 MR. O'ROARK: I believe it's North
22 Carolina and Florida.
23 Q (By Mr. Ross) All right. North
24 Carolina and Florida. What is it about North
25 Carolina and Florida that is unique as opposed

37

1 to the other states where we have pending
2 arbitrations, which would be Georgia and
3 Tennessee -- I'm sorry -- yeah, Georgia and
4 Tennessee?

5 A It is my understanding that in those
6 other two states, BellSouth chose to -- I'm
7 trying to think of how to say this. I guess the
8 easiest way to put it is that the way that
9 intraLATA presubscription was done in those two
10 states creates the situation where BellSouth
11 would be the default carrier and would, in our
12 view, be responsible -- or should be responsible
13 for the compensation that we've been discussing.

14 Q Okay. I'm sorry. That's Georgia and
15 Tennessee, in your view BellSouth is the default
16 carrier. Is that right?

17 A That's my understanding.

18 Q And is it -- then do I understand
19 correctly, in Florida and North Carolina,

20 BellSouth is not the default carrier; and,
21 therefore, there's no need for the language that
22 is at issue?

23 A That would be my understanding, yes.

24 Q Okay. Let's turn to Issue 53, which
25 deals with all jurisdiction being based on the

38

1 calling party number or on jurisdictional
2 factors. And I'm at Page 52 of your rebuttal.
3 And calling party number is also known as CPN.
4 Is that correct?

5 A Yes.

6 Q Now, I believe in your testimony you
7 make the statement that the information needed
8 for billing, which is really not CPN but the ANI
9 of the calling party, is always recorded in the
10 originating switch. Is that correct?

11 A It should be.

12 Q To your knowledge, does the originating
13 -- does every originating carrier provide
14 BellSouth with the CPN or the ANI of the calling
15 party?

16 A It's my understanding that the
17 discussions of the parties on the contract
18 language addressed the -- I mean, we actually

19 asked BellSouth that, and it's my understanding
20 that BellSouth said that there were no
21 situations where the originating carrier had a
22 contractual arrangement that said they didn't
23 have to transmit that information.

24 Q I'm not sure that was my question. Are
25 you aware -- is it your view every originating

39

1 carrier actually provides BellSouth with the CPN
2 or the ANI of the calling party?

3 A That information should be transmitted,
4 yes.

5 Q Does MCI transmit that information in
6 every instance to BellSouth?

7 A I'm going to have to ask whether you're
8 talking about MCI as a local carrier or MCI as
9 an interexchange carrier.

10 Q Well, let's talk about MCI as a local
11 carrier first.

12 A And I would think the answer to that
13 would be yes, except in those situations where
14 the -- where BellSouth is not, quote, the
15 recording switch, and thus has no need for that
16 information.

17 Q Have you read Mr. Scollard's rebuttal

18 testimony in Georgia on this issue?

19 A Yes, I have.

20 Q And where Mr. Scollard makes the
21 statement that many carriers, including MCI,
22 frequently do not provide the CPN when calls are
23 routed to BellSouth?

24 A I read that.

25 Q And do you have any reason to disagree

40

1 with Mr. Scollard?

2 A I don't have a reason to disagree with
3 that statement; although, again, you know, there
4 is a difference between the CPN and the ANI, and
5 his statement did not address ANI.

6 Q Of course, this issue was couched in
7 terms of CPN, was it not?

8 A Yes.

9 Q So is there any particular reason why
10 we ought to be talking about ANI as opposed to
11 CPN?

12 A Well, yes, I think there is. And it's
13 unfortunate that -- perhaps that the issue got
14 worded the way that it did. But calling party
15 number is actually a very specific field in the
16 SS7 signaling stream that may or may not be

17 populated, depending on a number of factors.

18 Q Okay.

19 A ANI is so fundamental to billing and
20 telecommunications that, again, it is always
21 transmitted, at least up to the point of the
22 recording switch. And that's why I made the
23 statement that I did earlier where MCI may
24 not -- as a local carrier, may not pass ANI to
25 BellSouth if MCI is the recording switch,

41

1 because in that instance, BellSouth would not
2 have need for that information. And, in fact,
3 would not want to keep it, because it would be a
4 burdensome record-keeping process for no billing
5 purpose.

6 Q Well, when you said it was unfortunate
7 that the issue has been phrased the way it has,
8 what did you mean by that?

9 A Well, as I understand the issue, the
10 issue is what is the appropriate way for
11 BellSouth and MCImetro, as local carriers, to
12 account for the jurisdiction of local traffic,
13 in particular. And as I understand it, the
14 dispute has to do with whether BellSouth's
15 approach of coming up with a percent local usage

16 based on a sample of call records over some
17 period is superior to a process that we've
18 suggested, which is actually based on the CPN --
19 or perhaps, more appropriately, the ANI -- of
20 all of the traffic exchange between the parties.

21 Q Would you agree with me that the
22 language that MCI has actually proposed to
23 BellSouth on this issue and that is in dispute
24 makes absolutely no mention of ANI?

25 A I'm going to have to dig around and

42

1 find that language. I don't have it in front of
2 me.

3 Q Okay. That's fine. If you'll agree
4 subject to check that the language in MCI's
5 Section 9.6.1 and 10.6.1 does not refer at all
6 to ANI -- in your view, that would be
7 unfortunate?

8 A Based on my understanding of the issue,
9 it would not be immediately clear to me why that
10 would be the case.

11 Q Okay. The other -- if you read
12 Mr. Scollard's rebuttal testimony, you also, I
13 assume, read Mr. Scollard's testimony that even
14 when CPN is provided, that the switch software

15 employed by BellSouth and other carriers, as
16 well, does not record the information, and that
17 therefore it's impossible to use CPN to bill
18 each call to MCI without the use of
19 jurisdictional factors. Do you agree or
20 disagree with Mr. Scollard?

21 A Do you have a page reference to
22 Mr. Scollard's testimony there?

23 Q His rebuttal testimony in Georgia on
24 Page 4. And, unfortunately, I think mine came
25 from a computer printout that does not have line

43

1 numbers, but it's towards the bottom of the
2 page.

3 A Well, it doesn't matter anyway. I
4 thought I had a copy of his rebuttal, but I
5 don't.

6 Q I'll read it verbatim to you just
7 because you don't have it in front of you. But
8 on Page 4 of his rebuttal testimony,
9 Mr. Scollard says, "Second, even when the
10 information is provided" -- and he's talking
11 about the CPN information -- "the switch
12 software employed by BellSouth and other
13 providers does not record this information;

14 therefore, it is impossible to use the CPN to
15 bill each call to MCI without the use of the
16 factors."

17 And my question is do you agree or
18 disagree with Mr. Scollard on that point?

19 A I don't have a basis for disagreeing.
20 Again, the -- I believe that Mr. Scollard would
21 agree that the situation is different if we
22 start talking about CPN in a -- well, if we talk
23 about the call information in a broader sense
24 and thereby bring in the ANI term.

25 Q Okay. Let's turn to Issue 67, which

44

1 deals with the MCI's use of BellSouth's
2 right-of-way and BellSouth's ability to convey
3 the property.

4 A Right.

5 Q The issue in dispute here is that --
6 and correct me if I'm wrong -- MCI has proposed
7 language that when BellSouth seeks to convey its
8 property on which it has granted MCI a license,
9 that BellSouth must do two things. First, it
10 must give MCI reasonable advanced written notice
11 of its intent to convey, and, second, BellSouth
12 shall only convey the property subject to any

13 licenses granted to MCI. Is that correct?

14 A That is my reading of the language that
15 we've proposed.

16 Q Now, let's just use a hypothetical
17 where BellSouth has a pole line. Pick your
18 state. Let's say we're in Florida in Miami.
19 And on that pole line, MCI has some attachments
20 and BellSouth has some attachments, and let's
21 say Time Warner Cable has some attachments.
22 Okay?

23 A All right.

24 Q BellSouth decides to sell the pole line
25 to Time Warner, and Time Warner wants BellSouth

45

1 and MCI's attachments off. Is it MCI's position
2 that BellSouth would not be able to sell that
3 pole line under the scenario I just gave you?

4 A Well, I think perhaps not be able to
5 is, you know, an absolute phrase. And certainly
6 we would not want there to be that sale absent
7 the ability of MCI to make arrangements, you
8 know, either with Time Warner or with someone
9 else to be able to replace those facilities.

10 Q Well, but let me make clear I
11 understand what MCI's position is in the

12 hypothetical I just gave you. Time Warner says
13 to BellSouth, "I'm only willing to buy your pole
14 line if BellSouth's attachments and MCI's
15 attachments are off of the pole line."

16 BellSouth is willing to take its
17 attachments off, and MCI, as I understand it,
18 wants the right to be able to say, "No.
19 BellSouth cannot sell that pole line to Time
20 Warner, because I want keep my attachments right
21 where they are." Is that a fair
22 characterization of our dispute?

23 A Well, I think we certainly do not want
24 BellSouth to have the unilateral right to put us
25 in a position of giving up that which we had

46

1 already agreed to.

2 Q Is that a "yes" to my question?

3 A It's a yes with that qualification.

4 Q Okay.

5 A I mean, the advanced notice part of,
6 you know, what we were talking about with the
7 language that we have proposed would allow us to
8 see if we could come up with a remedy. I think
9 that's why we put that in there.

10 Q Well, let's say in the example I gave

11 Time Warner is willing to allow MCI to continue
12 to maintain its attachments on the pole line but
13 at a higher rate than what BellSouth had been
14 charging, and MCI figures, "Well, I might as
15 well just try to stop BellSouth from conveying
16 the property rather than paying more money."

17 Would your proposal allow MCI to do that?

18 A I'm going to answer that by saying I
19 guess that is a possible reading; although, you
20 know, I'm sure that all of our company's lawyers
21 would, you know, probably have slightly
22 different, you know, interpretations of that.
23 But I could see that as a possible reading in
24 the language.

25 Q Okay. Let's talk about Issue 68,

47

1 Mr. Price, which deals with make-ready work and
2 payments being made in advance.

3 A All right.

4 Q And if I understand correctly, the
5 dispute here -- there is no dispute that
6 make-ready work should be -- and prelicense
7 survey should be paid for by MCI. Is that
8 correct?

9 A Absolutely not. No dispute.

10 Q And it is BellSouth's position that the
11 make-ready work and the prelicense survey should
12 be paid for before the work is actually
13 commenced. Is that correct?

14 A That's my understanding.

15 Q And MCI's proposal is that BellSouth
16 should go ahead and begin the make-ready work
17 and the prelicense surveys, but that MCI would
18 agree to pay for that at some point in time
19 later on. Is that right?

20 A Yes, with the -- with the understanding
21 that later on would be rather immediate. In
22 other words, it is our proposal that we would
23 begin the processing of the amount owed
24 immediately and presumably, you know, get that
25 to BellSouth within a very short time frame.

48

1 We're not talking about 90 days or anything.
2 We're talking about getting it processed as soon
3 as we can.

4 Q Okay. And what do you believe does "as
5 soon as you can" mean?

6 A I'm going to refer to my rebuttal
7 testimony and see if we said anything in there
8 about that. If you'll bear with me for just a

9 second.

10 Q Certainly.

11 A The period that we're talking about is
12 two weeks.

13 Q That's what your testimony says. Is
14 that correct?

15 A Yes.

16 Q Would you be surprised that your
17 proposed language -- and I'm looking at North
18 Carolina Section 4.7.3 -- actually says 60 days?

19 A Well, since that language is not in my
20 testimony, unlike some of the other issues, yes.

21 Q Yes, that would surprise you?

22 A Yes.

23 Q Okay. You make the statement in
24 your -- I guess this is your direct testimony in
25 Georgia on Page 48, that a requirement for

49

1 advanced payment for prelicense surveys and
2 make-ready work would create delays and would
3 not be commercially reasonable. Do you recall
4 that testimony?

5 A Yes.

6 Q The commercially reasonable part, is it
7 your experience that in many instances when

8 construction work is to be done -- or any kind
9 of work is to be done by contractors, that some
10 money, if not all the money, is paid in advance?

11 A I do not have an extensive background
12 on the construction side of the business, so my
13 experience is quite limited. It would be my
14 general observation that whether or not such a
15 requirement exists may depend on the nature of
16 the relationship between the parties. In other
17 words, whether it's a, you know, one-time job,
18 et cetera, or whether there's an ongoing
19 business relationship between those companies.

20 Q Have you ever had your work -- any work
21 done on your house where a contractor has asked
22 you to pay money in advance?

23 A Well, we -- we just built a new house a
24 little over a year ago. I haven't had to do
25 much since then, but I've seen it both ways with

50

1 respect to work on my house.

2 Q Okay. So you have seen circumstances
3 in which, in fact, some work has to be paid for
4 in advance?

5 A Actually, now that I think of it, I'm
6 not -- I don't recall right offhand a single

7 example where we had to pay in advance.

8 Q I need to use your contractors.

9 A Well, I'm actually not thinking about
10 contract work. I'm thinking more in terms of
11 just repairs and stuff. So, again, maybe my
12 experience is limited. But again, I think it
13 would have to do with the nature of the
14 relationship between the parties.

15 Q Okay. Let's talk about Issue 75, if we
16 could, Mr. Price. This is somewhat of a -- if
17 you'll pardon me saying so, somewhat of a
18 confusing issue to understand. And this deals
19 with end users served by interim number
20 portability and who is responsible for paying
21 certain charges that an end user customer served
22 by interim number portability makes. Is that
23 correct?

24 A It does have to do with interim number
25 portability. Could you repeat the last part of

51

1 that?

2 Q Yes. It has to do, more specifically,
3 with certain calls that a customer or an end
4 user served by interim number portability makes,
5 such as collect calls, third-party calls,

6 et cetera.

7 A Well, I'm hesitating because it could
8 be calls made by the customer. It could be
9 calls made by others. For example, collect
10 would be a call made by someone else. But the
11 charges would be, you know, paid for by the
12 MCImetro customer.

13 Q That's fair enough. You're correct.
14 These are calls involving an end user served by
15 interim number portability?

16 A Yes.

17 Q To what extent is MCI using interim
18 number portability in any of the states in which
19 MCI is arbitrating?

20 A In terms of ongoing use, I would think
21 that that use would be limited strictly to
22 places where permanent number portability had
23 not yet been deployed. I am not aware of the
24 extent to which we may still have a few
25 customers that were initially served by interim

52

1 number portability that may still be there.

2 Q Well, would you agree with me that
3 every place where MCI is providing local
4 service, at least in BellSouth's region, that

5 local number portability has, in fact, been
6 deployed?

7 A I would think that to be the case. I
8 have not actually analyzed that. I mean, I
9 know, for example, that the FCC requirement was
10 for the top 100 MSAs, and I don't -- frankly, I
11 don't recall, you know, some of the cities that
12 were down at the bottom end of that. But based
13 on my knowledge of where MCI is providing
14 services in the BellSouth states, I think that's
15 the case.

16 Q Okay. But you -- I think you said
17 earlier that you have not done any analysis to
18 determine to what extent there may be, still,
19 customers being served by interim number
20 portability, even though local number
21 portability may in fact be available?

22 A I have not.

23 Q So we really don't know how significant
24 this issue is, if at all?

25 A In terms of its impact on our

53

1 customers, I would think -- yes, you're right.
2 I don't have specific knowledge of the extent to
3 which it would impact our existing customers.

4 Q So, in fact, if MCImetro were not
5 serving any end user customers via INP, this
6 issue really is not an issue today?

7 A No, it's not. And I think perhaps
8 really the only -- the concern would generally
9 be that it not be a problem in the future. In
10 other words, if we were to go in and begin
11 serving an area that today does not have
12 permanent portability and whether or not this
13 language might be needed until such time as
14 permanent portability was rolled out.

15 Q Okay. You -- let's make sure everybody
16 understands what it is that BellSouth is
17 proposing here. This is a situation where an
18 MCI customer who is being served by interim
19 number portability is making or receiving
20 certain calls. Correct?

21 A Yes. I would characterize those
22 certain calls as alternate billed calls.

23 Q All right. And an alternate billed
24 call would be something like a collect call, a
25 third-party billed call, or an operator assisted

54

1 call?

2 A Yes.

3 Q And in the INP situation -- that's
4 interim number portability -- the original
5 number that is now being ported to MCI was
6 originally a BellSouth number. Correct?
7 A Well, was and still is, in fact.
8 Q Okay. But it's being used by an MCI
9 end user now?
10 A Yes, via call forwarding.
11 Q And so, in the situation -- let's
12 take -- let's take an example where your MCI end
13 user is -- goes to a friend's house and decides
14 to make a long distance call billed to his or
15 her home number. Okay?
16 A All right.
17 Q And that call is billed to the number
18 that belongs to BellSouth, now being ported to
19 MCI. Correct?
20 A Yes.
21 Q Would you agree that in that situation,
22 BellSouth does not have a direct relationship
23 with the MCI end user?
24 A Yes.
25 Q In MCI's proposal, how is it that

1 BellSouth -- well, let me say this. The

2 number -- the phone call that's made that's
3 being billed to the home number would appear on
4 whose bill?

5 A The interexchange carrier that handled
6 the call.

7 Q Okay. And they would bill it to whom?

8 A They would bill it to the end user.

9 Q Who is an MCI customer?

10 A Yes.

11 Q Is it always the case -- let me ask it
12 this way. How is it that AT&T -- and let's
13 assume they're the long distance carrier --
14 knows that the ported number now actually is
15 being ported to MCI as opposed to BellSouth --
16 I'm sorry -- is being ported from BellSouth to
17 MCI?

18 A They could get that information from
19 BellSouth or from MCI.

20 Q Do they routinely do that, as far as
21 you know?

22 A I don't know.

23 Q How is it that an interexchange carrier
24 knows at all whether a number is being
25 forwarded?

1 A In -- now, are we still limiting this
2 to interim number portability?

3 Q Yes. I'm sorry. Yes. And all my
4 questions are related to that.

5 A That information would have to come
6 from one of the two LECs involved.

7 Q Okay. But do you know whether, in
8 fact, that routinely does come from the two LECs
9 involved?

10 A No, I don't.

11 Q You make several statements in your
12 testimony, both your direct and rebuttal, about
13 industry practice with respect to toll carriers
14 billing the end user directly.

15 A Yes.

16 Q Do you have any idea what the industry
17 practice is as it relates to interim number
18 portability and billing end users directly?

19 A Well, again, the -- I already answered
20 the question with respect to whether or not
21 there is a standard way, if you will, for
22 interexchange carriers to find out about the
23 fact of that number having been ported. Other
24 than that, all you have to have is a customer
25 name and address, and the bill can be rendered.

1 Q I'm sorry. If you'll look at -- maybe
2 my question wasn't clear, Mr. Price. But
3 looking at Page 50 of your direct testimony in
4 Georgia --

5 A Yes.

6 Q I'm at Lines 25 and 26.

7 A Yes.

8 Q I don't know whose music that is.

9 MR. HERRERA: Not on our side.

10 MS. BERLIN: I think it's from the
11 Florida Commission, I would guess.

12 MR. ROSS: Let's go off the record
13 for just a minute.

14 (Discussion off the record)

15 MR. ROSS: Okay. Let's go back on
16 the record.

17 Q (By Mr. Ross) At Page 50 of your
18 direct testimony, Mr. Price, Lines 25 through
19 26, you say, "The practice in the industry is
20 for the toll carrier to bill the end user
21 directly." Do you see that?

22 A Yes.

23 Q And I guess my question was are you
24 referring to the practice in the industry as it
25 relates to INP and alternative billing

1 arrangements?

2 A I think I made that statement in the
3 most general sense. In other words, it is not
4 the practice in the industry for carriers to be
5 billing each other for their end user's calls.
6 It's the practice of obtaining the name of the
7 end user and the billing address and then
8 rendering the bill to the end user.

9 Q Okay. So your statement about practice
10 in the industry is just general and not
11 specifically directed to the INP issue.
12 Correct?

13 A Correct.

14 Q Are you aware that practically every
15 carrier with whom BellSouth has signed an
16 interconnection agreement has agreed to the
17 language that is set forth in the paragraph in
18 dispute?

19 A No, I'm not.

20 Q Would you agree that what other
21 carriers have agreed to in their interconnection
22 agreement may be some indication of what
23 industry practice or industry standards are?

24 A No.

25 Q No, you would not agree with that?

1 A I would not agree with that.

2 Q How would you look to determine what is
3 an industry standard or industry practice?

4 A Well, as I stated a minute ago, the way
5 in which end user billing is handled, you know,
6 consistent with everything I've known in 20 plus
7 years in the industry, is that end users get
8 billed for the calls that end users place.

9 Q I'm sorry. If we could just focus on
10 the INP -- the INP issue. If every -- let's
11 just assume hypothetically that we have 1,000
12 CLECs that have executed interconnection
13 agreements, and 999 of them have agreed that
14 when it comes to customers with INPs and
15 alternative billing arrangements, that
16 BellSouth's proposal is acceptable. It's your
17 view that that would not be an indication of
18 what the industry practice is as it relates to
19 INP traffic?

20 A No, it's not -- you're correct. That
21 doesn't indicate anything to me other than those
22 CLECs' views of whether or not that is an issue
23 that's worth, you know, going to arbitration or
24 whatever over.

25 Q Okay. Let's talk about Issue 92. Let

1 me go back to that just for a second. Let's
2 take -- going back to that same issue we just
3 talked about. Let's take AT&T, for example,
4 which is arbitrating. If AT&T were to agree to
5 that language and decide not to arbitrate it,
6 your view is that would not be an indication of
7 industry practices, or at least in AT&T's view?

8 A I can't speak to their motives for why
9 they may or may not have taken issue of that.

10 Q Okay. Let's talk about Issue 92. Have
11 you had a chance to review the language that
12 BellSouth has proposed to deal with LNP?

13 A I -- no, I have not.

14 Q So I take it you can't identify for me
15 in what respects BellSouth's proposed language
16 is deficient or otherwise unacceptable?

17 A It's my understanding -- and maybe this
18 will shorten this quite a bit. It's my
19 understanding that the parties have reached
20 agreement on the guidelines for LNP orders and
21 that there is only one remaining sticking point,
22 if you will, with that being an issue of
23 intervals.

24 Q Okay. Well, let me ask you to look at

1 on Line 12 where you state that intervals are
2 not in dispute.

3 A Yes, I see that. At the time that was
4 written, I believe the intervals that we had
5 proposed back to BellSouth were the intervals
6 that BellSouth had originally proposed to us,
7 and so we assumed that there would be no dispute
8 since we were proposing back that which
9 BellSouth had proposed. But apparently that was
10 not the case. And even though we were able to
11 agree on the rest of the language, the intervals
12 are still a sticking point.

13 Q Okay. Is it your view that the only
14 thing in dispute is the intervals?

15 A That's what I'm advised, yes.

16 Q Okay. So is MCI willing to accept
17 BellSouth's local number portability ordering
18 guide that BellSouth has proposed be used in
19 outlining the procedures for LNP orders?

20 A I'm at a real disadvantage on this
21 because I don't know the nature of the agreement
22 between the parties. I've just been advised
23 that the issue of the detailed ordering

24 guidelines is -- has been resolved.

25 Unfortunately, I can't tell you whether it was

62

1 resolved by us agreeing to your language or your
2 agreeing to our language or something in the
3 middle.

4 Q I'm at the same loss. Maybe we can go
5 off the record for just a second.

6 (Recess: 9:30 a.m. to 9:35 a.m.)

7 Q (By Mr. Ross) Mr. Price, let's turn
8 our attention to Issue 94, which deals with
9 whether or not BellSouth should be permitted to
10 disconnect service to MCI WorldCom for
11 nonpayment.

12 A Yes.

13 Q Could you explain why it is that MCI
14 believes that BellSouth should not have the
15 right to disconnect service to WorldCom if it
16 doesn't pay its bills?

17 A Generally, I think the answer to that
18 is because there are other means of resolving
19 disputes, at least in the initial phases, and
20 that such a measure should only be taken after
21 those other avenues are exhausted and -- you
22 know, say for example if a dispute was brought

23 at the appropriate state agency and the state
24 agency said, "Gee, you know, WorldCom, you're
25 sure being a bad company and not paying your

63

1 bills, and you should pay up," and then we
2 refuse to do so -- I mean, as a matter of first
3 recourse, we just don't think that's
4 appropriate.

5 Q Putting aside first recourse, do you
6 believe that BellSouth should ever have the
7 right to terminate or disconnect service to MCI
8 WorldCom for not paying its bills absent
9 involvement from a state commission?

10 A If I understand your question
11 correctly, it -- the question was whether the
12 state agency should always be involved. And I
13 guess the answer would be yes, unless the
14 parties have agreed to some other means of
15 alternative -- of dispute resolution, such as,
16 you know, ABA arbitration or whatever.

17 Q Well, let me see if I can ask it this
18 way, and you may have answered the question. Is
19 it MCI's view that BellSouth should have no
20 right to disconnect service for nonpayment short
21 of completing an entire dispute resolution

22 process either through arbitration or through a
23 complaint before the Commission?

24 A Yes.

25 Q Now, you do understand that MCI's --

64

1 I'm sorry -- BellSouth's proposal for the
2 ability to disconnect would not apply to amounts
3 for which there is a good-faith billing dispute?

4 A Yes, I understand that. And I
5 understand there are some concerns about the
6 possible interpretation of what constitutes a
7 dispute.

8 Q Okay. Well, let's assume that
9 BellSouth has sent MCI a bill for \$1 million,
10 and MCI doesn't dispute that it owes every penny
11 of it. Everything has been -- all the Is have
12 been dotted, Ts crossed, MCI acknowledges that
13 it owes \$1 million, but it refuses to pay. It
14 just doesn't pay the bills. What is it that MCI
15 believes BellSouth must do in order to collect
16 that \$1 million?

17 A Well, as I indicated earlier, I would
18 think that there would be a dispute resolution
19 process that could be pursued for collection. I
20 mean, you know, obviously your example is

21 extreme, but it's intended to draw out the
22 limits of the issue. I just -- first of all, I
23 don't see a situation developing as you've
24 hypothesized it, but I -- you know, we don't
25 want to see that as a first recourse.

65

1 Q Well, I guess when you say that
2 situation developing, you don't envision a
3 circumstance under which BellSouth would be
4 disconnecting MCI because MCI is going to pay
5 its bills?

6 A Well, I think that's generally true,
7 but I don't think that there's going to be a
8 situation where BellSouth sends MCI a bill and
9 we don't dispute it but simply don't pay it.

10 Q Okay. Do you agree that -- and again,
11 this is not a legal question -- that the
12 interconnection agreements that BellSouth signs
13 with MCI can be adopted by other carriers?

14 A Yes, that's my understanding.

15 Q And they could be adopted by carriers
16 maybe less scrupulous than MCI?

17 A Well, they can be adopted by other
18 carriers, yes.

19 Q And assuming that it is adopted -- this

20 agreement were adopted by a carrier less
21 scrupulous than MCI, wouldn't the inability of
22 BellSouth to disconnect service for failure to
23 pay a bill that's not disputed provide an
24 incentive for an unscrupulous carrier to take
25 advantage of BellSouth?

66

1 A I mean, I don't know whether the
2 disconnection serves as a disincentive or not.
3 I mean, if somebody is going to do the wrong
4 thing, so to speak, I'm not sure that -- I'm not
5 sure that we can sit in the discussions around
6 this interconnection agreement and envision, you
7 know, all kinds of means to preclude people from
8 doing the wrong thing if that's what they want
9 to do.

10 Q Well, in your view, does the threat of
11 disconnect have any impact at all in enticing
12 anybody to pay a bill?

13 A Well, that's -- I don't -- I mean, that
14 doesn't really -- that doesn't get at the
15 concerns that MCI has with the language that's
16 proposed.

17 Q Well, but let me ask you -- see if you
18 can answer my question first, and then we can

19 talk about the concerns. In your view, does the
20 threat of disconnection provide any incentive
21 for someone to pay their bill?

22 A And, frankly, I don't know. I mean, I
23 can see instances where it might. I can also
24 see other instances where, you know, that's just
25 a price of doing business the way that some

67

1 carrier may choose to do it.

2 Q To your knowledge, does MCI have the
3 right to disconnect service to any of its
4 customers for failure to pay bills?

5 A I've not looked at our tariffs with
6 that question in mind, no.

7 MR. O'ROARK: Bennett, this is De.
8 Are you talking about other carriers who are
9 customers of ours, or are you talking about
10 directly with end users?

11 MR. ROSS: Either one.

12 Q (By Mr. Ross) With what clarification
13 from your council, do you have any knowledge
14 whether MCI has any ability to disconnect
15 service to its customers?

16 A I have not looked at that. I may have
17 seen some information on that at some point, but

18 it's not coming to mind now.

19 MR. O'ROARK: Okay. Since I'm an
20 MCI long distance customer, I'm really
21 interested in the answer to that question.

22 THE WITNESS: Well, for you we'll
23 make a special exception.

24 MR. O'ROARK: I appreciate that.

25 Q (By Mr. Ross) Issue 95, which deals

68

1 with the EMI standard fields --

2 A Yes.

3 Q Could you explain just briefly what is
4 in dispute as it relates to this issue?

5 A I'm going to dig around and see if I
6 can't find the appropriate language in the
7 direct testimony of Mr. Martinez.

8 MS. BERLIN: Excuse me. This is
9 Issue 95. Correct?

10 MR. ROSS: Yes, it is.

11 MS. BERLIN: I believe that this
12 issue is covered only in rebuttal.

13 THE WITNESS: Well, good. That I
14 already had.

15 A As I understand the dispute, it
16 involves the necessary information for rendering

17 a bill, which in our view would involve all of
18 the guidelines or the billing guidelines
19 established in the exchange messaging interface
20 guidelines. I believe that's what EMI stands
21 for. And as I understand BellSouth's position,
22 it is that they have tariffed offerings that
23 they have created which utilize a portion of the
24 EMI records.

25 And our concern is that because

69

1 BellSouth is referencing or relying on a
2 tariffed offering, that BellSouth would have the
3 ability to unilaterally limit the records that
4 are exchanged as opposed to being bound by the
5 EMI guidelines, which are, as I understand it,
6 broader than BellSouth's tariffed offerings.

7 Q (By Mr. Ross) You don't have
8 BellSouth's proposed language in front of you, I
9 take it?

10 A That's correct. I do not.

11 Q When you refer to tariffed offerings, I
12 assume that you are referring to such things as
13 the optional daily usage file?

14 A Yes, sir.

15 Q Are you familiar with what that service

16 is?

17 A Barely.

18 Q I appreciate the honesty. What is your
19 understanding of what that service is?

20 A Well, as I stated a minute ago, it's my
21 understanding that that contains a subset of the
22 EMI records, and it's --

23 Q Is there anything that BellSouth is --
24 I'm sorry. Let me rephrase that.

25 Is there any EMI record that MCI needs

70

1 for billing that you contend BellSouth is
2 unwilling to provide?

3 A I think the answer is it's unclear. And
4 again, because BellSouth is referencing its own
5 tariffed offerings as opposed to the industry
6 guidelines, there is a concern, if you will.

7 Q Okay. So you're not sure whether or
8 not BellSouth is proposing to not provide MCI
9 with EMI records that MCI needs for billing?

10 A Well, it's -- I mean, the fact that
11 BellSouth has been unwilling to agree to abide
12 by the EMI guidelines and keeps referencing its
13 tariffed offerings suggests that there's some
14 difference there, and that suggestion that

15 there's a difference is what concerns us.

16 Q Let's talk about Issue 96, which is
17 written notice when a central office conversion
18 will take place before midnight or after
19 4:00 a.m.

20 A All right.

21 Q Could you please briefly explain your
22 understanding of the dispute on this issue?

23 A The dispute on this issue, as I
24 understand it, is that BellSouth believes that a
25 Web posting of the conversion is sufficient, and

71

1 our view is that written notice, which can
2 include e-mail, to other carriers -- or other
3 carriers' representatives is more appropriate
4 because of the potential impact that such a
5 change could have in the routing of traffic.

6 Q So it would be -- well, let me ask you
7 this way. Who at MCI would BellSouth be
8 responsible for sending e-mail or other written
9 notification to about a central office
10 conversion taking place before midnight or after
11 4:00 a.m.?

12 A Well, I assume it would be someone in
13 our network planning organization. I mean, I'm

14 sure we could work out the details of who that
15 needs to be. The concern, again, is that -- as
16 I understand it -- and I perhaps didn't say this
17 earlier, but the concern is not that the changes
18 occur, but that changes to planned changes
19 happen at the nth hour, and notification would
20 need to be immediate.

21 In other words, if there was a
22 conversion that had been planned that for some
23 reason was aborted at the last minute or moved
24 up, perhaps -- I don't know why that would be
25 the case -- but all of the other carriers would

72

1 have already made plans based on the announced
2 change date and time to have their routing
3 tables, you know, modified and would need to
4 have immediate notification so as to not, you
5 know -- to use the vernacular, not screw up the
6 routing of a lot of traffic.

7 Q This is -- your view is this issue only
8 comes up in a situation where BellSouth has
9 announced a conversion to take place, say, at
10 1:00 in the morning, but then changes that
11 conversion to take place at 8:00 a.m.?

12 A Yes, I believe so.

13 Q Now, again, going back to my question
14 who at MCI, is there one particular person who
15 is responsible or who would be responsible for
16 all of central office conversions in every
17 central office in BellSouth's region?

18 A I think it might be Mr. Olson, in fact,
19 but, yes. Responsible in the broadest sense. I
20 mean, obviously they would not be involved with
21 the translations, for example, in each of our
22 switches, but would have the capability to get
23 that information in the right hands immediately.

24 Q Okay. And, of course, I assume you
25 would agree that BellSouth couldn't just give

73

1 written notification either by e-mail or
2 otherwise just to MCI?

3 A Well, again, if we're talking about --
4 if we're talking about a change to a previously
5 scheduled conversion, then I would think that
6 everyone in the industry would need to be
7 notified.

8 Q And I guess that's the point. The
9 proposal here is that BellSouth essentially
10 provide written or e-mail notification to every
11 affected carrier.

12 A Well, I mean, that's not our issue. I
13 mean, our issue is that we need to have notice
14 so that our customer traffic doesn't get
15 misrouted.

16 Q Okay. But the practical result of your
17 position is that BellSouth has got to give
18 everybody written or e-mail notification.
19 Correct?

20 A No. They just need to give it to us. I
21 mean, if they want to post it on the Web and
22 people find out about it as they will, then
23 that's the other carriers' problems with respect
24 to the quality of service that they give to
25 their end users.

74

1 Q So, in your view, BellSouth can give
2 MCI preferential treatment versus other
3 carriers?

4 A I don't know whether that constitutes
5 preferential treatment or not. Again, we're
6 concerned about the quality of service that we
7 provide to our end users, and other carriers
8 may, for whatever reason, choose not to have the
9 same or similar concerns.

10 Q Okay. If we're just talking about a

11 central office conversion generally, are you
12 satisfied that a Web posting provides sufficient
13 notice?

14 A For the initially scheduled change,
15 perhaps. For a modification to the schedule
16 that would happen at the nth hour, no.

17 Q Okay. Let's go back to the initial
18 schedule. Perhaps -- how about a yes or a no.
19 In your view, is -- when it comes to initial
20 central office conversions, is posting a notice
21 on BellSouth's Web site -- you know, assumed
22 sufficiently in advance -- adequate as far as
23 MCI is concerned?

24 A Yes, I would think so.

25 Q Okay. Let's talk about Issue 97. Can

75

1 you explain briefly what the issue in dispute
2 here is?

3 A Yes. This issue would involve a
4 numbering change -- and I'm trying to think of
5 how much different permutations there could be
6 here -- but a numbering change that would affect
7 a public safety answering point for 911 services
8 such that the old ten digit number that is used
9 for the PSAP is no longer valid. And all we've

10 asked, for purposes of making sure that our
11 systems are properly up to date, is that any
12 such numbering change on BellSouth's network be
13 noticed immediately to MCI metro so that we could
14 make sure that our records are up to date with
15 respect to that PSAP.

16 Q Okay. Could you explain what we mean
17 when we're talking about a PSAP?

18 A It is a -- the PSAP is the point where
19 the -- where 911 calls are answered, if you
20 will, such that traffic routed, you know, from
21 any point in that area gets to a particular
22 center so that that center can then notify the
23 appropriate emergency response team, whether
24 that's, you know, ambulance, Poison Control,
25 fire, whatever.

76

1 Q When you refer to -- when the proposed
2 language by MCI refers to all emergency public
3 agency telephone numbers linked to all NPA NXXs,
4 what do you mean by that?

5 A Are you looking at our language in
6 Attachment 9, Paragraph 1.1.6?

7 Q That's exactly where I'm looking.

8 A Bear with me for a minute. I just

9 found that.

10 Q That's fine.

11 A All right. And your question again
12 was?

13 Q I'm really just trying to get some
14 clarification on what you mean by -- or what is
15 meant by the term "emergency public agency
16 telephone numbers linked to all NPA NXXs."

17 A Well, I think this probably is linked
18 with Issue 99, which we haven't gotten to yet.
19 But what we're trying to get at, as I understand
20 it, is the -- the proper means to get an
21 emergency call to the emergency service provider
22 in a given area. So, I mean, where we say all
23 NPA NXXs, I feel certain that we could, you
24 know, limit that to, you know, perhaps an
25 addendum or whatever that this section of the

77

1 contract should have something that says, you
2 know, where we operate, say within North
3 Carolina or whatever. I mean, if we're
4 operating solely within the Raleigh area, then
5 obviously we would not want to require BellSouth
6 to provide information in Charlotte, for
7 example, or Ashville or whatever.

8 Q Okay. Do you also want BellSouth to
9 provide information about NPA NXXs that are not
10 BellSouth's?

11 A Now that -- and I'm presuming that
12 BellSouth is no longer the administrator for the
13 North American numbering plan, that that's been
14 transferred to an independent third party. I
15 would not think that that would be a reasonable
16 burden to impose on BellSouth.

17 Q I'm sorry. You believe it would not be
18 an unreasonable burden to impose on BellSouth to
19 provide information about NPA NXXs that don't
20 belong to BellSouth?

21 A I'm sorry. I didn't say that very
22 well. I don't think it would be reasonable to
23 impose such a burden on BellSouth.

24 Q Okay. So, in your view, any
25 information that should be provided concerning

78

1 emergency publication telephone numbers linked
2 to NPA NXXs should just be those NPA NXXs that
3 belong to BellSouth?

4 A Yes. Well, with the possible
5 qualification that if somehow or the other
6 BellSouth were involved in providing 911 service

7 or whatever where the -- well, let me just stop
8 there. Yes, that's exactly what I mean.

9 Q Okay. And we've also -- I think you
10 also agreed that you would only want this
11 information with respect to those areas where
12 MCI is actually providing service?

13 A Yes.

14 Q Now, the issue as it related to -- I'm
15 sorry -- Issue 99 and how it relates to 97, can
16 you explain that to me, please? I think you
17 referred to that earlier.

18 A As I understand Issue 99, it involves
19 the means by which MCImetro would be advised of
20 the administrative telephone numbers associated
21 with the PSAPs, and those numbers would be --
22 again, by administrative, I mean for
23 administration purposes as opposed to typically
24 phones that would -- as opposed to phones that
25 would typically have 911 calls coming to them.

79

1 In case of a failure of the 911 routing system,
2 it may be necessary for our operators to route
3 around, if you will, a failed system and get to
4 the PSAP. The administrative line would give us
5 that capability to do that and talk to the folks

6 at the -- at that location, albeit not with the
7 same level of service quality that they would
8 typically have enjoyed. I mean, they wouldn't
9 have the ability to look at the automatic
10 location database and pull up addresses and
11 stuff, but at least we could get the calls to
12 the right centers.

13 Q And just maybe if I can try to put
14 words in your mouth so I can understand the
15 distinction between Issue 97 and Issue 99. When
16 we're talking about Issue 97, we're talking
17 about changes to the numbers or to the means by
18 which end user customers actually get to the
19 emergency service. Is that correct?

20 A Issue 97?

21 Q Yes.

22 A There would be a numbering change,
23 whether it's a -- some kind of service rehonoring
24 for the PSAP or a numbering change where there's
25 a split -- a geographic split, for example, and

80

1 somehow or the other the NPA NXX is changed that
2 way. But, in any event, there would be a new
3 number, if you will -- a new ten digit number
4 associated with the PSAP.

5 Q Okay. And that ten digit number is the
6 means by which end user customers who are having
7 an emergency actually get to the emergency
8 agency?

9 A No.

10 Q No?

11 A No. That's why I said that it's kind
12 of linked to 99, because the ten digit number --
13 I'm sorry -- Issue 99, because the ten digit
14 number would normally not be the number where
15 emergency calls are received. That would be
16 more of an administrative number.

17 Q Okay. And by administrative number,
18 this could be just a number that -- let's take
19 the fire department uses to communicate or make
20 routine telephone calls.

21 A It -- well, it's at the PSAP, so it may
22 not be a fire department or a police department.
23 It may be, say, Greater Dade County or whatever
24 911.

25 Q Okay. But it's their administrative

81

1 line that they use for purposes other than
2 fielding emergency telephone calls?

3 A Used typically for other than fielding

4 911 calls, yes.

5 Q Okay. And it is MCI's view that it
6 needs information about this administrative line
7 so that in case there is a problem with 911 or
8 the typical emergency arrangements, that calls
9 could be routed to this administrative line. Is
10 that correct?

11 A Yes.

12 Q Do you know whether PSAPs have a view
13 about the extent to which administrative lines
14 should be used to receive emergency calls?

15 A I can't answer the question that you've
16 asked in the affirmative. I have had some
17 discussions with people who are internal to
18 WorldCom who have been on the public side in
19 exactly that role and have talked with them
20 about how that would work.

21 Q So, in other words, you have not
22 actually -- you and -- you being MCI, have not
23 actually gone to any particular PSAPs to
24 ascertain whether or not they are interested in
25 having their administrative line serve as

1 essentially an overflow in the event there's a
2 problem with the emergency phone numbers?

3 A I have no knowledge of that.

4 Q Has MCI made any effort to obtain the

5 administrative phone numbers directly from the

6 PSAPs themselves?

7 A Not to my knowledge.

8 Q Is it possible that there are PSAPs who

9 are being served by carriers other than

10 BellSouth?

11 A Yes.

12 Q Is it your view that BellSouth is

13 obligated to provide MCI with information about

14 the phone numbers for PSAPs being served by

15 carriers other than BellSouth?

16 A No.

17 Q Again, so this would only be limited to

18 PSAPs being served by BellSouth?

19 A Yes.

20 Q Does the language that MCI has proposed

21 in this case make that clear?

22 A I've got to flip between too many

23 pieces of testimony. Bear with me.

24 Q I hear you.

25 A I believe with respect to Attachment 9

2 acknowledged that that language could be
3 limited. And with respect to the language at
4 Attachment 9, Paragraph 1.3.17, that language
5 would limit the obligation to provide the ten
6 digit administrative numbers to only those PSAPs
7 that subtend a BellSouth selective router/911
8 tandem, to which --

9 Q The language in 1.3.17 says that
10 "BellSouth, where available, shall work with the
11 appropriate government agency to provide MCI the
12 ten digit POTS number of each PSAP which
13 subtends each BellSouth selective router/911
14 tandem to which MCIm is interconnected." Is
15 that correct?

16 A Yes.

17 Q Why is it, in MCI's view, BellSouth
18 must work with the available government agency
19 to provide MCI with the ten digit POTS number?

20 A I believe the issue, in my mind, is
21 that BellSouth, as the provider of emergency
22 services, actually assigns that number to the
23 provider. So, I mean, the language that we are
24 discussing is a little muddy, because, in my
25 view, that's information that BellSouth would

1 obtain at such time as it set up service to the
2 emergency service provider or made any changes
3 to the service as part of the service ordering
4 process.

5 Q Is it your view that BellSouth is in a
6 position to give out its customers' telephone
7 numbers upon request from a carrier like MCI?

8 A I believe the way that we characterize
9 that in my testimony is that if there is a
10 concern by BellSouth that somehow those numbers
11 are non-published and they need authorization,
12 that we believe the commissions can provide that
13 authorization.

14 Q Well, I guess -- I'm asking your views.
15 In your view -- for example, let's take MCI.
16 Does MCI consider the telephone numbers it's
17 assigned to its customers -- unpublished
18 numbers, to be information that any carrier can
19 get upon request?

20 A No.

21 Q And I interpret the language -- and you
22 tell me if my interpretation is correct or
23 incorrect -- that the obligation to work with
24 the appropriate government agency suggests that
25 MCI believes that BellSouth just simply cannot

1 unilaterally turn over the phone number of the
2 PSAP directly to MCI.

3 A I could appreciate that reading of the
4 language, yes.

5 Q Is there anything that prevents MCI
6 from going to the PSAP directly and getting the
7 ten digit telephone number and telling the PSAP
8 the reason why MCI wants that telephone number?

9 A No, I don't think there's anything
10 necessarily preventing that. As I said earlier,
11 I believe that's information that BellSouth has
12 as part of its role as service provider, and it
13 certainly puts BellSouth in a position of having
14 ready access to that kind of information.

15 MR. ROSS: I'm ready to move on to
16 another issue if this is a good time for the
17 court reporters to swap out and us to take a
18 little health break.

19 MR. HERRERA: I don't think the
20 court reporter has arrived yet.

21 COURT REPORTER: But I do need a
22 break.

23 MR. HERRERA: But I think both the
24 court reporter and the witness need a break.

25 MR. ROSS: Okay. That's fine.

1 (Recess: 10:12 a.m. to 10:25 a.m.)

2 Q (By Mr. Ross) Mr. Price, let's turn to
3 Issue 100.

4 A All right.

5 Q Could you explain briefly what the
6 issue in dispute here is?

7 A Yes. As I understand BellSouth's
8 position, it is that when a caller reaches the
9 operator and asks for a rate quote -- in other
10 words, using North Carolina, for example. If a
11 caller reaches a BellSouth operator and asks for
12 charges for a toll call to, I don't know,
13 Ashville from Raleigh, BellSouth -- actually,
14 that may not be a good example. Let's use an
15 example within the Raleigh LATA. Let's assume
16 that there's a toll call -- or a toll
17 destination, I should say, within the Raleigh
18 LATA. The end user reaches the BellSouth
19 operator and asks for charges to call that toll
20 destination -- the per minute charge. BellSouth
21 will assume that it is the default carrier and
22 will quote its own charges to the end user.

23 The dispute is whether BellSouth's
24 operators should assume that it is the default
25 carrier or whether BellSouth's operator should

1 ask the end user, before quoting the charges,
2 what the end user's preferred carrier is for
3 that call.

4 Q And then isn't there a little more to
5 it than that?

6 A And then if the end user says that it
7 is a -- that the carrier is other than
8 BellSouth, BellSouth would transfer the caller
9 to that carrier.

10 Q Okay. Now, you would agree with me, I
11 assume, that BellSouth has no way of knowing
12 whether a subscriber is an MCI subscriber, an
13 AT&T subscriber, or anyone else when they call
14 an operator. Is that correct?

15 A No.

16 Q No, you would not agree with that?

17 A I would not agree with that.

18 Q So, when a customer dials a BellSouth
19 operator, the BellSouth operator knows exactly
20 whether that customer uses AT&T or MCI for its
21 long distance services?

22 A I'm sorry. I think I was confusing a
23 branding issue with this. I apologize.

24 Q Okay. I'll ask the question again and
25 maybe see if you can answer it the way you think

1 it ought to be answered. The situation is that
2 a BellSouth operator receives a call. Does the
3 BellSouth operator know that that customer who
4 is calling uses MCI or AT&T or Sprint as his or
5 her long distance carrier?

6 A I can agree with that.

7 Q So they would not know?

8 A Yes.

9 Q So they have to ask, in your view?

10 A Yes.

11 Q And the obligation that you're -- that
12 MCI is seeking to impose here would be to
13 inquire as to every customer who is calling that
14 is not a BellSouth -- I'm sorry. You would ask
15 that BellSouth inquire as to every customer who
16 calls for a rate quote, for the operator to ask
17 whether or not that -- whose long distance
18 carrier the customer is served by. Is that
19 correct?

20 A Well, no. And that's kind of why there
21 was a little confusion at the outset. This
22 would only -- the language that we're proposing,
23 as I understand it, would only impose that
24 obligation for the MCI end user customers. And
25 that's why I got a little sidetracked on the

1 branding issue, because it is my understanding
2 that BellSouth's operators should be able to
3 know -- and I believe -- I believe I've been
4 advised that there is a technology or an
5 offering that BellSouth is going to roll out
6 later this year that will allow the operators to
7 know the identify of -- not the identity -- the
8 brand that should be placed on the call when the
9 operator answers it. And that brand would
10 obviously identify the end user as an MCI
11 customer.

12 Q I'm sorry. What is the name of that
13 service, and what do you know about that
14 service?

15 A I knew you were going to ask me that.
16 Sitting right here this morning, I do not -- I
17 don't have that information in front of me. I
18 just learned of this the other day, and I don't
19 have my notes from that conversation.

20 Q From whom did you learn this?

21 A I believe Mr. Martinez advised me of
22 that.

23 Q Okay. Have you talked to anybody at
24 BellSouth about what this service is and what it

25 will be capable of doing?

90

1 A No, I have not.

2 Q Okay. And Mr. Martinez, just for the
3 record, is an MCI WorldCom employee who
4 originally had submitted testimony in this
5 proceeding?

6 A Yes.

7 Q And what is your understanding of what
8 this service will allow BellSouth operators to
9 do?

10 A If memory serves -- and again, I -- I
11 apologize for not being more clear on this. But
12 if memory serves, it will allow BellSouth to
13 have the ability to brand calls coming in to its
14 operator centers such that the operator would
15 have knowledge of the end user customer -- the
16 carrier providing local services to the end user
17 customer.

18 Q Okay. So, in your view, would this
19 service -- I'm sorry. Does BellSouth have this
20 deployed today? Do you know?

21 A That was not my understanding based on
22 the conversation.

23 Q Okay. So, when and if BellSouth

24 deploys this service, it's your view that the
25 BellSouth operator will know that the customer

91

1 who is calling the operator is an MCI customer.

2 Is that correct?

3 A If -- unless I'm way off base and
4 misremembering, yes, that's my understanding.

5 Q And I'm assuming that they would -- the
6 operator would only know that this is an MCI
7 local customer?

8 A Yes.

9 Q So, at that point in time, BellSouth
10 would be obligated, once it's identified that
11 this is an MCI local customer, to inquire as to
12 rates. Is that correct -- or to -- I'm sorry --
13 to ask about which carrier the customer uses for
14 long distance?

15 A Correct.

16 Q Now, assuming that it is a -- that in
17 fact BellSouth has the capability to know that
18 it's an MCI customer, why do you think BellSouth
19 would quote its own rates to that MCI customer?

20 A I don't know. That, I think, points to
21 the question as to why there's a disagreement on
22 this.

23 Q Do you know, in fact, whether BellSouth
24 does, indeed, quote its own rates when it knows
25 it's got an MCI customer on the line?

92

1 A And your question was whether I knew
2 why BellSouth's operators would want to do that?

3 Q No. I said do you know whether, in
4 fact, BellSouth operators quote BellSouth rates
5 when it knows -- when the operator knows that an
6 MCI customer is on the line?

7 A I don't know that for a fact. Again,
8 that's, in my mind, suggested by BellSouth's
9 opposition to the language we have proposed.

10 Q Well, do you also understand a part of
11 BellSouth's opposition is they don't feel like
12 they ought to have to transfer a call to
13 another -- to an IXC?

14 A Well, I guess my response is that I
15 don't know how they would provide that
16 information to the end user if they're not
17 providing the -- in other words, if the end user
18 would be using a carrier for whom the BellSouth
19 operator doesn't have rates, I don't know how
20 they would respond. I mean, they would either
21 provide the BellSouth rates or -- I don't know

22 what.

23 Q Well, I'm confused. Is it MCI's
24 position that BellSouth operators must provide
25 the rates for every interexchange carrier when

93

1 an MCI customer calls and wants a rate quote?

2 A No. And that's exactly why I was
3 trying to respond the way that I was, because
4 the obligation, as I understand it, that would
5 be imposed on BellSouth under our language is
6 that the operator, upon learning the
7 identification of the preferred carrier, would
8 transfer the caller to that carrier so that that
9 carrier could quote its own rates for the call.

10 Q Okay. So you're not asking that
11 BellSouth's operators quote any rates. Correct?

12 A Unless the caller said that its
13 preferred carrier was BellSouth, then the call
14 could be -- you know, the rate quote could be
15 made using BellSouth's rates.

16 Q Okay. But assuming it's not BellSouth,
17 what MCI wants BellSouth to do is have its
18 operator transfer the call to AT&T, to MCI, to
19 Sprint, to Qwest, to Bell Atlantic -- whoever
20 the long distance carrier is, MCI wants

21 BellSouth to transfer that call to that long
22 distance carrier. Correct?

23 A Correct.

24 Q And how is it that BellSouth is
25 compensated for physically getting that call

94

1 from the customer calling the BellSouth operator
2 to AT&T, MCI, Sprint, Qwest, Bell Atlantic?

3 A Well, I'd have to break the
4 compensation down into two parts. The part that
5 we recognize that we would be liable for in that
6 instance would be the operator's time in making
7 the inquiry of the MCI customer, and then the
8 time involved in transferring the call to the
9 other carrier. So that's the part that we would
10 be liable for. The other carrier would
11 presumably be responsible for the operator
12 transfer charge, to the extent that BellSouth
13 has one of those for the transferring of the
14 call to the other operator service provider.
15 Q Okay. Just so I'm clear. MCI would
16 pay for the time that the operator is on the
17 phone with the customer inquiring as to who
18 their long distance carrier is. Correct?
19 A Yes.

20 Q And I was unclear as to who, in your
21 view, should pay the physical cost of connecting
22 the call from the BellSouth operator to the long
23 distance carrier of choice. Is that being paid
24 by MCI or by the long distance carrier?
25 A The cost of the transfer itself?

95

1 Q Yes.

2 A I would view that as being recovered
3 through the offering -- the operator transfer
4 offering or whatever that BellSouth presumably
5 has in the tariff.

6 Q Okay. You're referring to the operator
7 transfer service or OTS service?

8 A Yes.

9 Q So, in your view, should BellSouth only
10 agree to transfer calls to long distance
11 carriers who subscribe to OTS?

12 A That would make sense to me.

13 Q Okay. Is that set forth in MCI's
14 proposed language at all?

15 A It is not expressly set out in the
16 language at Attachment 9, Section 2.2.2.12.

17 Q Okay. And just so we can maybe put an
18 example here, if, for example, Sprint does not

19 subscribe to BellSouth's OTS service and a
20 customer calls a BellSouth operator, the
21 BellSouth operator inquires as to the caller's
22 long distance carrier and the caller says
23 Sprint. What is the BellSouth operator supposed
24 to do in that instance?
25 A Bear with me just a minute.

96

1 Q Okay.

2 A In that instance, I would -- I wouldn't
3 think that the operator would have a choice
4 other than to advise the customer that they
5 couldn't transfer the call and for them to --
6 for the end user to contact their carrier to
7 find out, you know, how to place the call or how
8 to get the rates.

9 Q Okay. You're not suggesting that
10 BellSouth provide a phone number for Sprint or
11 anything like that?

12 A No.

13 Q Okay. Does MCI purchase operator
14 services from BellSouth?

15 A MCI long distance?

16 Q No. We're talking about MCI local,
17 aren't we?

18 A Well, we're talking about MCI local
19 customers, but -- well, actually, it doesn't
20 really matter, because the answer is I don't
21 know.

22 Q Okay. Were you involved in the
23 arbitrations last time around, which was 1996 or
24 1997?

25 A I was in one state, I believe, only.

97

1 Q In BellSouth's region or somewhere
2 else?

3 A No. In BellSouth's region, I believe I
4 was only involved in one state.

5 Q Which one was that?

6 A North Carolina.

7 Q Do you know what MCI's view was about
8 use of BellSouth's operator services and the
9 extent to which MCI intended to make use of
10 BellSouth's operator services?

11 A I may have testified on that.

12 Q Do you remember what you said?

13 A No.

14 Q Okay. Going back to the rates that you
15 believe cover the cost of BellSouth's operator,
16 what rates are you referring to specifically?

17 A It's my understanding that at least
18 some of the rates for operator functions would
19 have been on a work second basis. I know, for
20 example, that's consistent with the way that
21 Bell companies tend to study their operator
22 costs. And so it would be my understanding that
23 there would be a means to assess MCImetro for
24 time incurred in those -- in that discussion
25 with the end user.

98

1 Q Okay. Well, I don't know whether you
2 have a -- one of MCI's proposed contracts with a
3 rate sheet attached in front of you.

4 A What I do have is the attachment that
5 was to my Georgia testimony, and that's exactly
6 what I'm looking at right now.

7 Q Is that your direct or rebuttal?

8 A I'm going to have to ask counsel for
9 clarification.

10 THE WITNESS: Susan, this
11 Attachment 1, Table 1, that you provided to both
12 myself and Mr. Toomey last week, isn't that to
13 my direct testimony in Georgia?

14 MR. O'ROARK: It is. I have it in
15 front of me.

16 MS. BERLIN: Do you have it now,
17 Don?

18 THE WITNESS: Yes.

19 MS. BERLIN: Okay.

20 Q (By Mr. Ross) Mr. Price, could you
21 look at the rate sheet that is attached to your
22 testimony and identify for me the particular
23 rate that you believe would apply when BellSouth
24 is performing -- or BellSouth's operators are
25 performing the function we've just discussed?

99

1 A Subject to check, I would -- it would
2 have to be one of -- I believe it would have to
3 be one of the following. I believe at Page 13
4 of 11.

5 Q I'm there.

6 A Yeah. It says --

7 (Laughter)

8 A It says, "Operator provided call
9 handling per minute," and then there are two
10 variations on that. One is using BST LIDB, and
11 one is using foreign LIDB. I don't see another
12 rate that would be -- that would intuitively
13 suggest to me that it would be a better
14 selection, if you will, than what I just

15 mentioned.

16 Q (By Mr. Ross) Okay. And just so the
17 record is clear, what is LIDB, L-I-D-B?

18 A That's the line information database.

19 Q And what is LIDB used for?

20 A Well, it's -- it is an operator --
21 well, let me say it differently. It is a
22 database that contains information that can be
23 used for various things, including whether or
24 not the line -- the end user's line has any
25 particular restrictions. For example, on

100

1 whether that line will accept collect calls, for
2 example.

3 Q In the circumstance that we've been
4 talking about where the MCI customer calls for a
5 rate quote, is there any need for the operator
6 to use LIDB?

7 A Well, no. And I didn't mean to suggest
8 that that was the case. All I was doing was out
9 of the rates that I was seeing for operator
10 handled calls in the Georgia situation, I didn't
11 see anything that looked like it would be more
12 appropriate.

13 Q I guess, if I understood your testimony

14 correctly, you've looked at this rate sheet, and
15 these are the only two things that come close to
16 describing the situation that we've been
17 discussing about providing rate quotes.
18 Correct?

19 A Well, presumably this is a rate that
20 compensates BellSouth for operator time. And as
21 I stated earlier, most of these calculations are
22 built up from an operator work second
23 measurement. So, the fact that this is on a per
24 minute basis, you know, would mean that
25 BellSouth would be charging for each minute that

101

1 its operators expend in making that
2 determination. That rate would be charged back
3 to MCImetro for the time spent in the
4 transaction.

5 Q Do you know how these rates were
6 developed that are attached to your testimony in
7 Georgia?

8 A I know that those rates were the result
9 of the Commission cost proceeding, but not
10 specifically, no.

11 Q Would you agree, subject to check, that
12 those rates were developed using the

13 forward-looking least cost methodology that's
14 prescribed for unbundled network elements?

15 A I would -- when you say that was
16 prescribed, I'm assuming you are saying that was
17 prescribed by the Georgia Commission. And, yes,
18 I would assume that to be the case.

19 Q Well, let's assume that BellSouth does
20 not have to provide operator services or
21 directory assistance as an unbundled network
22 element. Okay? Just assume with me for
23 purposes of my question.

24 A All right.

25 Q Is it your view that even though

102

1 BellSouth may not be required to unbundle
2 operator services, that it should only charge a
3 rate that was established for operator services
4 as if it were an unbundled network element?

5 A I believe you asked me to assume that
6 BellSouth does not have a legal obligation to
7 provide operator services as an unbundled
8 element?

9 Q Yes.

10 A And then with that assumption, the
11 question was whether that rate, what, is

12 appropriate? Was that the question?

13 Q Yes, in a nutshell. Is a UNE rate
14 appropriate for something that's not a UNE?

15 A Well, in my view, just as a general
16 matter, the -- the rate would be compensatory.
17 In other words, it would be -- it would
18 reasonably compensate BellSouth for the time
19 that its operator expended in the transaction.

20 Q You believe a UNE or a TELRIC rate
21 covers a company's -- or BellSouth's actual
22 costs for providing a service?

23 A Well, the whole issue of what does and
24 doesn't constitute an actual cost is a pretty
25 murky area. In my view, I believe that the

103

1 rates that we're looking at would be -- would
2 fully compensate BellSouth.

3 Q And you base that on what?

4 A On my understanding of costing
5 processes and how costs are developed and how
6 rates are set on those cost studies.

7 Q Were you involved in any of the cost
8 proceedings in BellSouth's region in which those
9 rates were established for unbundled network
10 elements?

11 A Perhaps in a very indirect way, but
12 certainly not directly.

13 Q Okay. But just so I'm clear here, if
14 BellSouth does not, in fact, have to offer
15 operator services as an unbundled network
16 element, do you believe BellSouth should be --
17 or is entitled to ask for its actual costs for
18 providing a service?

19 A BellSouth is certainly entitled to ask
20 for, you know, whatever it chooses to ask for.
21 Again, as I stated, it would be my belief that
22 these rates would fully compensate BellSouth for
23 the functions that its operators performed.

24 Q Well, let me ask it this way. If
25 BellSouth were to say, "Okay, MCI. We're not

104

1 required to provide operator services on an
2 unbundled network element basis, but we will
3 provide operator services at a rate of \$2 per
4 minute," is it your view that the Commission
5 should establish a different rate for that
6 offering?

7 A If by different you mean different from
8 the \$2 that you used in your question, my answer
9 would be yes.

10 Q Okay. And I did mean different than
11 the \$2 rate. And what standard do you believe
12 the Commission should use in establishing a rate
13 for operator services if BellSouth does not have
14 to provide it on an unbundled basis?

15 A I guess at the broadest level, I would
16 look to things like the extent to which
17 BellSouth was attempting to use its market power
18 to extract monopoly profits from entities that
19 were seeking to compete in the local market with
20 BellSouth.

21 Q Well, I guess -- would you agree that
22 one of the reasons that the FCC said that
23 operator services was not an unbundled network
24 element -- or should not be an unbundled network
25 element under specified circumstances is because

105

1 so many different carriers offer operator
2 services?

3 A The fact that other carriers offer
4 operator services was considered by the FCC in
5 its 319 remand decision, yes.

6 Q Okay. I guess between now and Monday
7 when we have our hearing in North Carolina, are
8 you going to try to ascertain to what extent

9 WorldCom is even purchasing operator services
10 from BellSouth in North Carolina?

11 A I'm sorry. Are you asking about
12 operator services or the operator transfer
13 service?

14 Q No. The operator service that we're
15 talking about here under Issue 100. In other
16 words, let me put it this way, Mr. Price. Would
17 you agree that if WorldCom is not purchasing
18 operator services from BellSouth but rather
19 provides MCI customers with MCI's own operator
20 services, this issue is not an issue at all?

21 A I would agree with that. And it's --
22 you know, it's my understanding that the
23 question of whether or not we would purchase
24 operator services in large part depends on how
25 we resolve other issues, such as the branding

106

1 issue, for example, and the trunking issues that
2 surround how we would get to BellSouth's
3 operators.

4 Q Okay. But you don't even -- do you
5 even know -- I think you've already said that
6 you don't know to what extent, if any, MCI is
7 making use of BellSouth's operators today. Is

8 that correct?

9 A I don't recall stating that. I thought
10 the question earlier was whether or not we were
11 subscribing to the operator transfer service.

12 Q No. I'm sorry. I didn't mean to ask
13 that. Is MCI purchasing operator services from
14 BellSouth for its local customers?

15 A And I don't know.

16 Q Okay. And I guess to circle around
17 here, do you think you are going to attempt to
18 determine the answer to that question in North
19 Carolina by the time we get to the hearing on
20 Monday?

21 A I can certainly do that.

22 Q Let me just catch up here on my notes
23 for just a minute. With respect to Issue 101,
24 what -- could you briefly describe the dispute
25 here?

107

1 A Well, as I just alluded a minute ago,
2 there were some trunking issues that are related
3 to the question of whether or not we can obtain
4 operator services from BellSouth. It is our
5 position that no special trunking arrangements
6 need to be constructed solely for the handling

7 of operator and/or directory assistance traffic,
8 and that the interconnection arrangements that
9 exist today in common transport should be used
10 for the routing of calls on BellSouth's side of
11 the interconnection to the -- to its TOPS
12 tandems.

13 Q Okay. Have you read Mr. Milner's
14 testimony on this issue?

15 A Yes.

16 Q And am I correct in saying that
17 Mr. Milner has said that BellSouth will route
18 WorldCom's operator service directory assistance
19 traffic in a couple of different ways; one
20 requires dedicated trunking, and the other does
21 not?

22 A I recall mention by Mr. Milner of a
23 situation where there would be common transport
24 at least at a particular part of the network.
25 And I think my concern with that, if I'm

108

1 remembering correctly, was that it represented,
2 if you will, sort of a half a loaf. In other
3 words, there still needed to be dedicated
4 transport to some point within BellSouth's
5 network.

6 Q Well, let's -- the AIN solution that
7 Mr. Milner discusses, he has indicated involves
8 some shared transport. Is that correct?

9 A That's my recollection.

10 Q And what is your understanding of the
11 extent to which shared transport is available
12 under that alternative?

13 A Do you recall whether that's in his --
14 and I apologize -- whether that's in his direct
15 or his rebuttal?

16 Q I believe it's in both, to be honest.

17 A I have his direct right here, if maybe
18 we can -- and this is Georgia again.

19 Q Yes. I'm pretty confident it's in his
20 direct testimony.

21 A Okay. I'm at Page 43 of Mr. Milner's
22 testimony where he states that using the AIN
23 method of customized routing shared truck groups
24 may be used between the BellSouth end office
25 switch and the AIN hub location.

109

1 Q Okay. And is your concern that the --
2 from the AIN hub location to MCI's operator
3 services platform would not be shared transport?

4 A I believe that was the situation that I

5 alluded to earlier when I said my recollection
6 was that there was some point where the shared
7 transport might not cover the entirety of the
8 call path, if you will.

9 Q Now, when we talk about shared
10 transport, of course, we're talking about
11 multiple carriers' traffic being carried on a
12 particular trunk group. Correct?

13 A Yes.

14 Q In the situation that we're discussing
15 where you have a shared transport from the
16 BellSouth end office to the AIN hub switch, the
17 traffic that's going from the AIN hub switch to
18 the MCI operator services platform, isn't that
19 just going to be MCI traffic?

20 A Yes. That makes sense.

21 Q So why would you need shared transport
22 between the AIN hub switch and the MCI platform?

23 A No, you would not. And again, I -- I
24 was -- my earlier comment was based on a
25 previous reading of Mr. Milner's testimony, and

110

1 I hadn't focused on that yet this morning.

2 Q Okay. Is this an issue that the
3 parties probably ought to discuss, maybe, in

4 greater detail?

5 A That would be fine with me.

6 Q Okay. Maybe we can do that in North
7 Carolina. Let's talk about Issue 102. I guess
8 the reason I say that is because it sounds like,
9 from what you said, that BellSouth's AIN
10 solution will really give MCI what it's looking
11 for.

12 A And that sounds reasonable to me,
13 putting aside such questions as, for example,
14 the cost of the AIN solution --

15 Q Sure.

16 A -- but, yes.

17 Q Okay. Let's talk briefly about
18 Issue 102. If you could, just tell me what you
19 understand that dispute to be about.

20 MR. O'ROARK: Mr. Rose, excuse me
21 one minute. This is De O'Roark. I am going to
22 take my leave at this point and let the rest of
23 you handle it from here on out.

24 MR. ROSS: Fair enough.

25 MR. O'ROARK: Okay. Thank you.

111

1 MR. ROSS: See you.

2 Q (By Mr. Ross) We're on Issue 102,

3 Mr. Price.

4 A Yes. Thank you. My understanding of
5 this issue is that there are -- and I'm going to
6 use the language that is in dispute. There are
7 network routeable access codes that can be used
8 to reach a BellSouth TOPS tandem. And what we
9 have proposed, as I understand it, would give
10 our operators the ability to use those codes to
11 reach the TOPS tandem to get to an inward
12 operator position, if you will. And as I
13 understand BellSouth's position, there is some
14 concern that our suggestion involves something
15 to do with BellSouth's end office switches,
16 which we believe to be a misunderstanding or
17 whatever between the parties.

18 Q All right. Well, where are the local
19 interconnection trunk groups that you propose to
20 use in the language that you were just referring
21 to?

22 A Where are the interconnection trunks?

23 Q Yeah. I guess -- well, let me -- that
24 was a poor question. I apologize. The language
25 in dispute says MCIm may use the local

2 routeable access codes BellSouth establishes in
3 the LERG. And that's L-E-R-G. Correct?

4 A Yes.

5 Q Now, where are the local
6 interconnection trunk groups that MCI is
7 proposing to use to route this traffic?

8 A The trunking arrangement and the
9 interconnection arrangement, of course, is going
10 to differ depending on, you know, which
11 particular market we are talking about. But it
12 would be my understanding that these codes that
13 we're talking about are codes that, again, are
14 network routeable. In other words, they can be
15 interpreted by switches so that traffic gets
16 routed to the appropriate TOPS tandem. And so
17 traffic coming to BellSouth over the
18 interconnection, in whichever area we're talking
19 about, should be able to route that traffic,
20 unless the translation tables are incomplete.

21 Q Have you read Mr. Milner's rebuttal
22 testimony on this issue, Mr. Price?

23 A Yes. It's been a few days.

24 Q Okay. Well, I guess the confusion that
25 you alluded to earlier is Mr. Milner describes

1 the fact that these codes are not used in the
2 end office switches. Do you have any reason to
3 dispute Mr. Milner on that point?

4 A No.

5 Q All right. So how is it that if we're
6 talking about a call that is in an end office
7 that never goes to a tandem switch -- how is it
8 that that is going to be routed to the TOPS
9 platform using the local interconnection trunk
10 groups?

11 A It would be my understanding that the
12 call would never hit a BellSouth end office
13 because it would be coming from an MCI operator.
14 And our -- you know, our operator platforms
15 would not be behind, if you will, a BellSouth
16 end office switch.

17 Q Okay. So these are inward operator
18 services that are -- in other words, calls going
19 from BellSouth customers -- or MCI customers to
20 MCI's operator services platform?

21 A Yes. A call would come in to an MCI
22 operator center from wherever, and then the
23 question is if BellSouth needed to reach -- I'm
24 sorry. Let me say that again. The call comes
25 in to an MCI operator center. And then to the

1 extent that the caller needs to reach -- and the
2 MCI operator needs to reach a BellSouth
3 operator, the question is the trunking
4 arrangement that would need to be utilized to
5 get the call from our operator center to the
6 BellSouth TOPS tandem. So there's no end office
7 involved there. It would simply be a call that
8 is using the -- these network addressable
9 numbers that the -- that our operator would have
10 access to from the LERG and how that call would
11 be routed on BellSouth's side of the
12 interconnection.

13 Q Okay. Do you envision any circumstance
14 -- let me ask it this way. Is there any
15 situation in which MCI has a switch that is
16 directly connected to a BellSouth end office?

17 A Yes. But that doesn't have anything to
18 do with the issue here.

19 Q Okay. So, even though the Bell -- I'm
20 sorry. Even though the MCI switch is directly
21 connected to an end office, your view is the
22 operator platform that may be behind that switch
23 can have traffic routed somewhere other than
24 through the MCI switch?

25 A Yes. Yeah, this is -- we're talking

1 about a separate point on the network -- on our
2 network than our end office. Just like, you
3 know, for your operator centers, we're talking
4 about a separate point on your network, the TOPS
5 tandem.

6 Q Okay. And we're talking about trunks
7 between your platform and the BellSouth TOPS
8 platform?

9 A Or more specifically, we're talking
10 about trunks on your side of the interconnection
11 back into your network. Our proposal would be
12 that we would use the -- bear with me for just a
13 second -- the local interconnection trunk groups
14 through your, you know, tandem or whatever, to
15 get to your TOPS.

16 Q Okay. I'm thoroughly confused. Let's
17 say the point of interconnection is at the
18 tandem in -- let's just take Raleigh. Explain
19 again to me the trunking arrangement that you
20 envision under your proposal by which operator
21 calls would be routed from MCI's operator
22 platform to BellSouth's operator platform.

23 A As I understand it in the situation
24 you've described, we would get -- we would
25 activate, if you will, a tandem interconnection,

1 pass that call using the -- and I'm going to say
2 numbers here. There is some network addressable
3 identifier that is associated with your TOPS
4 tandem in the Raleigh area that would allow us
5 to pass that call to you over the tandem
6 interconnection, whereby your tandem you would
7 then route that to the appropriate TOPS
8 position.

9 Q Okay. Assume with me that BellSouth
10 does not route -- or has no trunk groups from
11 its tandem to the TOPS platform, and, in fact,
12 has direct dedicated trunks from its end offices
13 to the TOPS platform. What is MCI's proposal in
14 that scenario?

15 A As I understand it -- I mean, there's
16 nothing preventing, you know, BellSouth from
17 creating a tandem trunk group that could be used
18 by all carriers this way as opposed to requiring
19 all carriers to have dedicated transport all the
20 way to your TOPS tandem.

21 Q Well, but for purposes of inward
22 operator services, is it your view that if
23 BellSouth does not have, in fact, trunk groups
24 from its tandem to the TOPS platform, that it's
25 got to put those trunk groups in place for MCI?

1 A Well, and I apologize for maybe seeming
2 flippant on this, but, I mean, that's -- if you
3 flip that around, that's exactly what
4 BellSouth's language is seeking to impose on
5 MCI, that we create dedicated trunk groups for
6 what I think we both agree would be a very small
7 amount of traffic. And that's simply not
8 economic, in our view.

9 Q Well, I'm confused here. What -- where
10 is it that BellSouth is asking MCI to propose
11 to build dedicated trunk groups?

12 A By refusing to accept language that
13 says that we can use the existing local
14 interconnection trunk groups.

15 Q I see. Okay. So your view is that by
16 refusing to agree to language that obligates
17 BellSouth to build trunk groups, that that
18 means that MCI has got to build the trunk
19 groups?

20 A Well, in my view, the language that
21 we're proposing doesn't -- well, I started to
22 say it doesn't require BellSouth to create
23 anything, but I guess, given your earlier
24 discussion, if we are to assume that BellSouth

25 has no way to get from its tandem to its TOPS

118

1 tandem, then I guess in that example there would
2 be -- there would have to be a creation of a new
3 trunk group. I don't know that that requires
4 any construction whatsoever, but there would be
5 the need to designate another trunk group
6 between BellSouth's tandem and its TOPS tandem.

7 Q And that really is a different issue
8 than what we've been talking about under
9 Issue 102, which is whether you can use existing
10 trunk groups to route this inward operator
11 services through these access codes. Correct?

12 A I'm sorry. I'm not sure I followed the
13 question.

14 Q Well, let's assume -- going back to the
15 hypothetical we started with, which is that
16 BellSouth does not have any trunk groups
17 connecting its access -- I'm sorry -- connecting
18 its tandem to the TOPS platform. Okay?

19 A Understood.

20 Q And, in fact, that there are direct
21 trunk groups from the end offices to the TOPS
22 platform. If that hypothetical is in fact true,
23 MCI really isn't asking -- or is MCI asking that

24 it be permitted to use these local
25 interconnection trunk groups that go to the end

119

1 office to the TOPS platform?

2 A I'm going to have to ask a
3 clarification, because I thought in your
4 hypothetical you were talking about BellSouth's
5 trunking between its end offices and its TOPS
6 tandem.

7 Q Yes.

8 A And those do not, in my view,
9 constitute local interconnection trunks. Those
10 are trunks that are wholly within BellSouth's
11 network, designed by BellSouth, in the way
12 BellSouth chooses to route traffic within its
13 network.

14 Q But you would view trunks from the
15 tandem to the TOPS platform as being
16 interconnection trunks?

17 A There -- in my mind, when I start
18 talking about interconnection, I always try to
19 distinguish between the physical
20 interconnection, which is a fiber ring, for
21 example, or a point in a collocation or a mid --
22 a mid-point meet on a fiber, and distinguish

23 that physical arrangement from the trunking that
24 is then configured, if you will, over that
25 physical facility.

120

1 And so, in my mind, when we say the
2 local interconnection trunks, what I would be
3 talking about would be getting it to that
4 interconnection on our side of the network, and
5 as we described previously, probably over a
6 tandem trunk group.

7 How BellSouth chooses to configure its
8 network and whether or not it deems it necessary
9 or appropriate to have a trunk between its
10 tandem and its TOPS tandem -- or TOPS platform,
11 whatever -- I don't really view that as local
12 interconnection trunks, I guess.

13 Q Okay. Let me just see if I can clarify
14 just a bit. If BellSouth in fact had trunks
15 from it's access tandem to the TOPS platform, in
16 your view, those trunks would be so-called local
17 interconnection trunk groups. Is that correct?

18 A I'm sorry. Between what points?

19 Q Between BellSouth's access tandem and
20 the TOPS platform, if in fact those trunks
21 exist. Would you consider those to be local

22 interconnection trunk groups?

23 A They could be, yes.

24 Q What else would you believe, in your
25 view, constitutes a local interconnection trunk

121

1 group?

2 A Well, again, the -- what I was trying
3 to describe a minute ago was the local
4 interconnection trunk groups in the aggregate
5 would be those trunks that are configured over
6 the interconnection between the two companies
7 for that local area. They could be, and likely
8 are, in most instances, a combination of tandem
9 and direct end office trunks that are set up
10 over that physical interconnection.

11 Q Okay. Let's assume that MCI is
12 interconnected with BellSouth at the access
13 tandem in Raleigh. Would you agree or would you
14 state that if BellSouth had trunk groups from
15 that access tandem to the TOPS platform, that
16 those could be local interconnection trunk
17 groups?

18 A And the reason I said earlier they
19 could be is because there could be a
20 circumstance where BellSouth would use those for

21 purposes of interconnection with other carriers,
22 or it could have established those connections
23 simply as the means of getting traffic from
24 certain end offices to the TOPS tandem.

25 Q Okay.

122

1 A In which case -- in the latter case,
2 those wouldn't be local interconnection trunks.
3 They would simply be a part of BellSouth's
4 trunking within its network.

5 Q Now, let's assume that MCI has
6 interconnected with BellSouth directly at an end
7 office, and BellSouth has trunks from its end
8 offices to the TOPS platform. In that scenario,
9 are the trunks from the end office to the TOPS
10 platform local interconnection trunk groups?

11 A I wouldn't view them as such, no.

12 Q Okay. So, for purposes of this issue,
13 Issue 102, the only local interconnection trunk
14 groups that MCI is talking about are local trunk
15 groups that are connecting the access tandem to
16 the TOPS platform?

17 A I think generally the answer is yes. I
18 don't know that there could be no other
19 configuration, but we are certainly not talking

20 about end office interconnections. We're
21 talking about something other than that. So
22 presumably the tandem would be the only other
23 thing.
24 Q Okay. Let's turn quickly to -- I
25 know -- I don't want to keep you much longer --

123

1 Issue 103. If you could, just briefly explain
2 what the issue in dispute here is.

3 A The issue in dispute here involves a
4 situation where the MCImetro subscriber
5 inadvertently dials zero, when in reality they
6 wanted directory assistance. And the question
7 is whether the BellSouth operator in that
8 instance should connect the end user to the MCI
9 directory assistance platform, if we're
10 providing that -- if we provide a DA service.

11 Q To your knowledge, is this -- does this
12 happen with great occurrence?

13 A I would think not.

14 Q Okay. And this is language that is
15 proposed by MCI?

16 A Yes. I'm sorry. Let me -- yes, it is.
17 It's Attachment 9, Paragraph 2.7.2.

18 Q To your knowledge, does BellSouth's

19 operator services platform have the capability
20 to connect to, let's say, MCI's directory
21 assistance platform?
22 A I apologize. This is 103?
23 Q It is.
24 A And I'm sorry, was your question
25 whether, in fact, BellSouth has that capability?

124

1 Q Yes.
2 A I do not know for a fact whether that
3 capability exists or if it perhaps exists in
4 some circumstances and not in others.
5 Q If the capability does not exist for
6 BellSouth to connect calls from its operator
7 services platform to MCI's directory assistance
8 platform, does that change your view as to how
9 this issue ought to be resolved?
10 A I would look at it sort of from the
11 standpoint of technical feasibility. I mean, if
12 by saying BellSouth doesn't have the
13 capability that simply means that it's not set
14 up here and now, but it's something that could
15 be done rather easily, then from that
16 standpoint, I would think that it would not
17 change our position on the issue.

18 Q If BellSouth were to have to put in the
19 capability, how is BellSouth compensated for
20 that? Or let me -- should BellSouth be
21 compensated for that?

22 A There's a bit of a gray area in my mind
23 -- actually, in my mind, there's a lot of gray
24 areas.

25 (Laughter)

125

1 A There's a bit of a gray area with
2 respect to circumstances where BellSouth should
3 be, quote, held harmless, if you will, from the
4 advent of competition. Again, I have to fall
5 back on what I said earlier. It kind of depends
6 on the question of really what's involved and
7 whether or not we're talking about a significant
8 reconfiguration of BellSouth's network in order
9 to accomplish this or simply establishing the
10 appropriate connection at the tandem or
11 something.

12 Q (By Mr. Ross) Well, let me put it this
13 way. Whether it costs \$100 or \$1 million, would
14 you agree that there's nothing in this contract
15 by which MCI is agreeing to pay for the cost
16 that BellSouth incurs?

17 A I will answer by saying I'm not aware
18 of any language in the contract that would
19 require MCI to make payment under that -- under
20 either circumstance.

21 Q And whether it costs \$100 or \$1
22 million, MCI is asking that BellSouth incur this
23 cost to anticipate the possibility that an MCI
24 customer might make a dialing mistake. Is that
25 correct?

126

1 A That's, I guess, one way to put it.

2 Q Okay. I'm going to skip a few issues
3 just because I had think they're more legal in
4 nature. I'm not sure there are any facts I
5 really need to discover. And flip to Issue 109.

6 A All right.

7 Q Which deals with really two issues;
8 MCI's WorldCom's opt-in rights, if you will, and
9 providing WorldCom with copies of
10 interconnection agreements.

11 A All right.

12 Q As far as the -- well, let me ask it
13 this way. Would you agree that MCI's position
14 on this issue has evolved over time?

15 A I'd say that's probably a fair

16 statement.

17 Q That, in fact, when the petitions were
18 originally filed, MCI's position was that
19 BellSouth should be required to provide physical
20 copies of the actual interconnection agreements
21 that are filed with the state commissions.
22 Correct?

23 A I believe that's correct, yes.

24 Q And now MCI WorldCom has moved off of
25 that position and now has said that BellSouth

127

1 should post interconnection agreements on the
2 Web. Is that correct?

3 A Yes.

4 Q Is it your view that BellSouth should
5 post interconnection agreements on the Web when
6 they've been filed or when they've been approved
7 by a state commission?

8 A I believe the way that we put that was
9 within a certain period after filing with the
10 Commission.

11 Q So I take it you want BellSouth to post
12 every interconnection agreement that's filed?

13 A I wouldn't think that there would be
14 much reason to dispute that -- let me start over

15 again. I don't think there would be any reason
16 to get too concerned about the issue if
17 BellSouth were to agree to post them within a
18 certain period after approval.

19 Q Okay. To your knowledge, are state
20 commissions in BellSouth's region posting
21 approved interconnection agreements on the
22 Commission's Web site?

23 A I don't know.

24 Q If a state commission were to post
25 approved interconnection agreements on its own

128

1 Web site, can you think of a reason why
2 BellSouth should incur the time and expense of
3 doing the same thing?

4 A In the situation you described, I don't
5 -- I don't know why -- I mean, BellSouth may
6 have its own reasons for wanting to do so, but
7 I can't sit here and tell you why BellSouth
8 might want to do that.

9 Q Or why BellSouth should be required to
10 do so?

11 A In that situation, no.

12 Q Who at MCI WorldCom is charged with the
13 responsibility of -- or will be charged with the

14 responsibility of reviewing all of the
15 interconnection agreements that BellSouth would
16 be posting on its Web site if MCI prevails on
17 this issue?

18 A Well, as I understand it, the team that
19 would be responsible for that would be the team
20 that reports to Mr. Martinez.

21 Q And how many people does he have on his
22 team?

23 A I don't know the answer to that.

24 Q Okay. Do you have any earthly idea how
25 many interconnection agreements BellSouth has

129

1 approved in its region?

2 A No earthly idea. That's -- I do not.

3 Q Let's assume that it's over 1,000
4 interconnection agreements today. Is it your
5 belief that MCI is actually going to have its
6 employees read through 1,000 interconnection
7 agreements to see the terms and conditions that
8 are in those agreements?

9 A Well, when you say read through, I
10 mean, I guess you could interpret that phrase in
11 a couple of different ways. I would think that
12 our folks would want to compare, in some way,

13 the interconnection agreements to ascertain
14 when, you know, for example, new provisions or
15 whatever -- new terms and conditions appeared.

16 Q How is it that MCI's employees are
17 going to be able to do that without reading
18 through each of the interconnection agreements?

19 A Well, that's why I said -- you know, I
20 don't know that that necessarily requires a
21 word-for-word reading, but there would be some
22 analysis that would be -- that would need to
23 take place.

24 Q Does MCI have any guidelines that it
25 has adopted in contemplation of BellSouth

130

1 putting all these agreements on the Web for its
2 employees in their review of these 1,000 plus
3 interconnection agreements?

4 A I have no knowledge of any guidelines,
5 no.

6 Q Now, the other part of this issue deals
7 with the opt-in and when the opt-in is
8 triggered. MCI originally proposed that a more
9 favorable term and condition would be deemed to
10 be accepted by MCI WorldCom the date it was
11 originally offered to another carrier. Is that

12 correct?

13 A I apologize. Could you ask me that
14 again?

15 Q Yes. When originally this issue was in
16 dispute, MCI's position was that a more
17 favorable term and condition that is in another
18 carrier's existing interconnection agreement was
19 deemed to be accepted by MCI WorldCom the date
20 it was offered to the other carrier.

21 A Actually, I don't have knowledge of
22 where our position was originally.

23 Q Okay. What is MCI's position now as to
24 when a more favorable term and condition should
25 be effective for MCI WorldCom?

131

1 A As I understand it, the effective date
2 should be when we elect to adopt the terms and
3 conditions.

4 Q And when you elect to adopt means when
5 you notify BellSouth that you want to adopt?

6 A That would be my understanding, yes.

7 Q So let's assume that September 1, MCI
8 notifies BellSouth that it wants to adopt a
9 particular rate in an interconnection agreement,
10 but MCI doesn't get around to actually signing

11 the amendment until January 1. It's your view
12 that that rate should apply from September 1 on?

13 A I believe that's -- yes, I believe
14 that's our position.

15 Q Okay. What happens in the circumstance
16 when -- if, in fact, the Commission were to not
17 approve the amendment? In other words, it's --
18 you notify BellSouth on September 1 that you
19 want a particular rate, the parties sign an
20 amendment on January 1, and on March 1, the
21 Commission disapproves the amendment. What
22 happens in that circumstance?

23 A Well, since, in your example, you were
24 seeming to focus on the issue of the rate
25 involved, I guess that would depend on whether

132

1 or not service was actually taken or whatever at
2 that rate during the time frame that you're
3 asking about.

4 Q Let's assume that it was.

5 A And if it was, then I presume that
6 there would be a financial true-up, I guess, for
7 lack of a better phrase, as to the difference
8 between that rate and whatever the other rate
9 was then in effect.

10 Q Okay. Issue 110, Mr. Price -- and I'm
11 almost done -- deals with the question of what
12 steps BellSouth must take to protect MCI
13 WorldCom's confidential information.

14 A Yes.

15 Q And there are really two aspects of
16 this dispute. The first aspect is that MCI
17 wants BellSouth to agree to take all actions
18 necessary to ensure that its retail operations
19 do not obtain MCI's confidential information,
20 whereas BellSouth says it should only be limited
21 to reasonable measures. Correct?

22 A That's my understanding of the dispute.

23 Q And the other aspect of the dispute is
24 that in the event BellSouth's retail operations
25 or any independent contractor obtains MCI's

133

1 confidential information, there's a rebuttable
2 presumption that BellSouth has violated the
3 terms of the agreement. Correct?

4 A Generally, that's my understanding.

5 Q Okay. What, in your view, is the
6 difference between take all actions necessary to
7 protect MCI WorldCom's confidential information
8 and taking all reasonable measures to protect

9 MCI's confidential information?

10 A I guess my understanding of the
11 difference would be the extent of the steps, if
12 you will, that BellSouth would take to ensure
13 that its employees understood the very grave
14 situation that we're talking about here, and how
15 abuse of information that came into the hands of
16 a particular employee was -- could be treated if
17 that information were to be misused.

18 Q Okay. And BellSouth is willing to
19 agree to take all reasonable measures, and MCI
20 wants BellSouth to agree to take all measures.
21 Correct?

22 A Yes.

23 Q Let me give you a hypothetical and see
24 what -- see if we can maybe narrow this just a
25 bit. Let's assume that something BellSouth

134

1 could do would be to every day administer a
2 polygraph to every one of its employees to
3 ensure that they are not passing MCI WorldCom's
4 information to the retail operations. Okay?

5 A All right.

6 Q That is a measure that could be taken.
7 Under your language, would BellSouth be

8 obligated to take that measure?

9 A No, I don't think so.

10 Q Okay. And why not?

11 A Well, to go back to my previous answer,
12 I think -- I don't see that as a necessary step.
13 I mean, there are things short of that that
14 BellSouth could do that would make very clear to
15 its employees the grave repercussions that could
16 occur if the information in the employee's
17 possession were misused.

18 Q What are the necessary steps that you
19 think BellSouth should take?

20 A Well, just sitting here this morning
21 and thinking about it, I would think that there
22 would be, you know, explicit provisions in the
23 code of conduct, for example, that each employee
24 would have to, you know, sign periodically to
25 make sure that they understood their

135

1 obligations. I would think that there could
2 be -- well, would need to be administrative
3 rules that, you know, were established within
4 the company to make sure that information of a
5 confidential nature pertaining to the CLECs with
6 whom BellSouth does business is properly

7 maintained and protected and shielded, if you
8 will, from inadvertent disclosure, for example.
9 I mean, I have not given a great deal of thought
10 to what all BellSouth should do, but those are
11 just a few things that come to mind.

12 Q Well, sitting as you are today, can you
13 think of anything else that comes to mind that
14 MCI would want BellSouth to do in protecting
15 MCI's confidential information?

16 A Well, I mean, one thing that would come
17 to mind would be -- and I don't know if this
18 falls into what I stated a minute ago with
19 respect to the code of conduct, but making very
20 clear that abuse of language that was in an
21 employee's possession would be, you know,
22 penalized, at a minimum, by immediate firing and
23 loss of benefits and potential, you know, other
24 sanctions.

25 Q Okay. Anything else?

136

1 A Not that come immediately to mind.

2 Q Okay. So, if BellSouth were to agree
3 to have all of its employees sign a code of
4 conduct making clear that confidential
5 information of MCI would not be disclosed -- if

6 BellSouth were to agree to have a policy and
7 rules spelling out exactly how information is to
8 be used and how it's not to be used, and if it
9 were to agree that any employee who violated
10 this policy would be subject to immediate
11 discipline, up including discharge, this issue
12 could be resolved -- or at least this aspect of
13 the issue could be resolved?

14 A Well, again, not being on the
15 negotiating team, I have no idea what the
16 parties may have discussed in the past and
17 whether or not they've already broached
18 everything that we've talked about here this
19 morning and then some, so I'm somewhat hesitant
20 to make that commitment. But it would seem as
21 if a strong statement by BellSouth would
22 certainly be helpful in resolving this.

23 Q Okay. Have you talked to any of the
24 individuals who are negotiating the
25 interconnection agreement to find out what

137

1 specifically MCI WorldCom wants BellSouth to do
2 to protect MCI WorldCom's confidential
3 information that BellSouth purportedly is not
4 willing to do?

5 A No, I have not.

6 Q Let's finish up with Issue 111,
7 Mr. Price, which although is couched as
8 procedures for auditing of billing records,
9 would you agree that there's a little more to it
10 than that?

11 A Yes.

12 Q Have you read from Mr. Scollard's
13 direct testimony on this issue in Georgia?

14 A Yes.

15 Q And is it fair to say that Mr. Scollard
16 identifies not only the audit question, but
17 three other related issues that are in dispute
18 between the parties?

19 A I'll accept that subject to check. I
20 don't have his testimony open in front of me
21 here.

22 Q Okay. And one of the questions is how
23 frequently the PLU and PIU factors should be
24 reported by the parties. Is that correct?

25 A Yes.

138

1 Q And MCI's view is it ought to be
2 reported monthly, and BellSouth's view is that
3 it should be reported quarterly. Is that

4 correct?

5 A Yes.

6 Q Do you know, in the access world, how
7 often the PIU is reported by interexchange
8 carriers?

9 A In the access world, it is my
10 understanding that it is quarterly.

11 Q Why is it that a different reporting
12 frequency should be used in the local world?

13 A Well, especially in -- well, the
14 situation that the industry is in -- and I use
15 that in the broadest sense -- is that local
16 competition is still in its early stages, and so
17 there is a potential for traffic mix to change,
18 if you will, rather rapidly in those early
19 stages as opposed to in the interconnection --
20 I'm sorry -- in the interexchange carrier world
21 where the situation is relatively stabilized and
22 the carriers I think probably don't have a huge
23 swing between intrastate and interstate with
24 respect to their traffic mix on a month-to-month
25 basis.

139

1 Q Do you know whether there's a huge
2 swing on a month-to-month basis in the local

3 world?

4 A I don't know that for a fact. I,
5 again, postulate the possibility that that's the
6 case given the fact that -- I mean, a given
7 CLEC's traffic mix can change dramatically if
8 just one large customer with a different mix of
9 traffic comes on the network.

10 Q Well, but I guess if we're talking
11 about BellSouth's traffic, BellSouth's traffic
12 probably doesn't vary much from month to month,
13 does it?

14 A No.

15 Q Is there something wrong with MCI
16 reporting a monthly factor if it elects, but
17 BellSouth only reporting a quarterly factor?

18 A I don't -- I mean, I stated a minute
19 ago that it wouldn't seem that BellSouth's mix
20 would be as likely to change by virtue of the
21 fact that it still has the overwhelming majority
22 of customers, so I can't think of a reason to
23 oppose that. And by that, I mean what you
24 suggested with a quarterly factor by BellSouth
25 and a more frequent factor from MCImetro.

140

1 Q Okay. The other issue that

2 Mr. Scollard points out is whether or not
3 transit traffic should be included in developing
4 the percent local usage or PLU factor?

5 A Yes.

6 Q And it's MCI's proposal that transit
7 traffic be included. Is that correct?

8 A Yes.

9 Q And again, I think we've discussed
10 this, but for ease of reference, transit traffic
11 would be traffic coming from an independent
12 customer to an MCI customer through BellSouth?

13 A Or from another CLEC, yes.

14 Q Okay. And, of course, it's also MCI's
15 position that BellSouth should pay reciprocal
16 compensation for transit traffic to MCI. Is
17 that correct?

18 A When the call originates on the third
19 party's network and terminates to MCI metro, yes.

20 Q And under MCI's proposal, BellSouth
21 should then turn around and collect the amount
22 paid for reciprocal compensation from the actual
23 originating carrier. Correct?

24 A Yes. And as I've stated, that's in
25 keeping with BellSouth's proposal in at least

1 one instance, which is the CMRS provider.

2 Q Okay. If the Commission -- if one of
3 the commissions decides that reciprocal
4 compensation should not be paid by BellSouth for
5 transit traffic, would you agree that transit
6 traffic should not be included in the
7 development of the percent local usage?

8 A Actually, I need to think about that a
9 little bit more. I mean, it's -- by saying that
10 BellSouth isn't obligated to pay reciprocal
11 compensation, that does not necessarily mean
12 that the traffic is not local. It has a billing
13 implication, but it doesn't have, if you will, a
14 jurisdictional implication in my mind.

15 Q Well -- but how is it that the PLU is
16 applied in the billing world?

17 A Well, this gets back to the issue we
18 talked about earlier, which is the appropriate
19 way to actually determine which calls
20 compensation is due on. As we talked about,
21 with respect to Issue -- I'm backing up. Bear
22 with me -- Issue 53, I mean, we've got a
23 difference of opinion about the way in which the
24 PLU factor should be used or whether it should
25 be used to determine compensation owed.

1 Q Okay. Let me see if I might ask you to
2 explain how this works, though. When you give a
3 PLU of let's say 99 percent, how does that apply
4 or how is that used in determining reciprocal
5 compensation to be paid, if at all?

6 A Well, for the traffic that is being
7 subject to that factor, the 99 percent in your
8 example would determine the proportion of that
9 traffic on which reciprocal compensation would
10 be owed.

11 Q So, in other words, if you've got one
12 million minutes at issue and you're reporting a
13 PLU of 99 percent, 990,000 minutes would be
14 subject to reciprocal compensation, subject to
15 rounding?

16 A Yes, I believe -- I was trying to do
17 the math in my head. I believe that's right.

18 Q That's why I went into law, because I
19 wasn't very good at math.

20 In fact, in calculating the percent
21 local usage, 99 percent or something else, you
22 want to include transit traffic in that
23 calculation. Correct?

24 A Yes. And again, in keeping with our
25 other recommendations around these issues.

1 Q Yes. And I guess what I'm saying is I
2 understood what you've said, the PLU is directly
3 used in the calculation of the amount of traffic
4 to which reciprocal compensation is to be paid.
5 Correct?

6 A It can be. Again, the other means of
7 determining compensation would be based on the
8 actual ANI as we discussed earlier.

9 Q Right. But assuming we're using a PLU,
10 it would determine the amount of traffic to
11 which reciprocal compensation would be paid.
12 Correct?

13 A Yes.

14 Q And I guess I'm going back to my
15 original question where I started. Assume that
16 the Commission determines that BellSouth should
17 not be obligated to pay reciprocal compensation
18 for transit traffic. Do you still believe that
19 transit traffic ought to be included in
20 calculating the PLU?

21 A And given our discussion just now, no.

22 Q Okay. In your rebuttal testimony on
23 Page 77 in Georgia, on Line 26, you use, as an
24 example of transit traffic, ISP bound traffic or
25 Internet traffic. Is that correct?

1 A That's -- yes, that's what it states on
2 Line 26.

3 Q Is ISP bound traffic a good example of
4 transit traffic as we've been talking about?

5 A Not as we've been talking about it, no.

6 MR. ROSS: Okay. Mr. Price,
7 you'll be happy to know I believe that's all I
8 have, at least until Monday or Tuesday.

9 THE WITNESS: All right, sir.

10 MR. ROSS: I do appreciate your
11 cooperation. Again, thank you for accommodating
12 my and everyone else's schedule.

13 THE WITNESS: Well, thank you for
14 letting us do this last part via the telephone.

15 MR. ROSS: It's the least I could
16 do. Why don't we go ahead and go off the
17 record, and I'll give the court reporter the
18 address where the transcript needs to go.

19 (Discussion off the record)

20 A I was able to go back to my notes, and
21 subject to further investigation, what I have in
22 front of me is not the full extent of the rate
23 centers that we serve in the Raleigh LATA, but
24 it at least identifies certain of those. And
25 what I have proposed to do is to provide this

1 information and then supplement as soon as
2 possible as I go back and try to dig a little
3 bit further.

4 Q (By Mr. Ross) That's fine. And
5 actually, Mr. Price, if you can just have that
6 information by Monday all in one sitting, I
7 think that would be ideal.

8 A Okay.

9 Q And I guess just so we're clear here,
10 what I'm looking for are the actual wire centers
11 in which MCI WorldCom has customers to whom it
12 is actually providing local service.

13 A All right. And I believe that's the
14 information that I have in front of me.

15 Q Okay. Good. I just wanted to be
16 clear.

17 A Okay. And this is without regard, I
18 believe, to whether these are BellSouth or other
19 telephone companies, because obviously in the
20 Raleigh LATA we've got --

21 Q A mix.

22 A Yeah, Sprint as well as GTE.

23 Q Yeah. As long as you have identified
24 the wire centers, we know, obviously, which wire
25 centers our tandems serve.

1 A Okay. Well, with all of that said, the
2 information that I have about where our
3 customers are would include the following wire
4 center areas.

5 Q Okay.

6 A Cary, Research Triangle Park, Chapel
7 Hill, Durham, Fuquay, Nightdale, Raleigh, and
8 Wake Forest.

9 Q Okay. Actually, can you give those to
10 me again just to make sure I have them all?

11 A Cary.

12 Q Okay.

13 A Research Triangle Park, Chapel Hill,
14 Durham, Fuquay, Nightdale.

15 Q Nightdale?

16 A Yes.

17 Q Okay.

18 A I believe that's all one word. Raleigh
19 and Wake Forest.

20 Q I appreciate it. Thank you very much.

21 A Yes, sir.

22 MR. ROSS: We'll see you Monday.

23 Thank you all.

24 (Deposition concluded at

25 12:04 p.m.)

147

1 CHANGES AND SIGNATURE

2

3 PAGE LINE CHANGE REASON

4 _____

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

20 _____

21 _____

22 _____

23 _____

1 I, DON PRICE, have read the foregoing
2 deposition and hereby affix my signature that
3 same is true and correct, except as noted above.

5

7

8 THE STATE OF TEXAS)
COUNTY OF TRAVIS)

9 Before me, _____, on
this day personally appeared DON PRICE, known to
10 me to be the person whose name is subscribed to
the foregoing instrument and acknowledged to me
11 that they executed the same for the purposes and
consideration therein expressed.

2 Given under my hand and seal of office
this _____ day of _____, _____.

4

5

7

9

1

2

23
24
25

149

1 BEFORE THE
2 GEORGIA PUBLIC SERVICE COMMISSION
3 IN RE: PETITION OF MCIMETRO)
4 ACCESS TRANSMISSION SERVICES,))
5 LLC AND MCI WORLDCOM)
6 COMMUNICATIONS, INC. FOR)
7 ARBITRATION OF CERTAIN TERMS) DOCKET NO.
8 AND CONDITIONS OF PROPOSED) 11901-U
9 AGREEMENT WITH BELLSOUTH)
10 TELECOMMUNICATIONS, INC.)
11 CONCERNING INTERCONNECTION)
12 AND RESALE UNDER THE)
13 TELECOMMUNICATIONS ACT OF)
14 1996)

9 REPORTER'S CERTIFICATION
10 DEPOSITION OF DON PRICE
11 AUGUST 25, 2000

12 I, Steven G. Stogel, Certified Shorthand
13 Reporter in and for the State of Texas, hereby
14 certify to the following:

15 That the witness, DON PRICE, was duly sworn
16 by the officer and that the transcript of the
17 oral deposition is a true record of the
18 testimony given by the witness;

19 That the deposition transcript was submitted
20 on August 28, 2000, to the witness or to the
21 attorney for the witness for examination and

22 signature;

23 That pursuant to information given to the
24 deposition officer at the time said testimony
25 was taken, the following includes counsel for

150

1 all parties of record:

2

3 Mr. Dulaney O'Roark, Attorney for MCI
WorldCom

4 Mr. Bennett Ross, Attorney for BellSouth
Telecommunications

5 I further certify that I am neither counsel
6 for, related to, nor employed by any of the
7 parties or attorneys in the action in which this
8 proceeding was taken, and further that I am not
9 financially or otherwise interested in the
10 outcome of the action.

11 Further certification requirements pursuant
12 to Rule 203 of TRCP will be certified to after
13 they have occurred.

14 Certified to by me this 26th day of August
15 2000.

16

17

18 STEVEN STOGEL
Certified Shorthand Reporter
CSR No. 6174 - Expires 12/31/00
19 Kennedy Reporting Service, Inc.
800 Brazos, Suite 340
20 Austin, Texas 78701

21
22
23
24
25

151

1 FURTHER CERTIFICATION UNDER RULE 203 TRCP

2 The original deposition was/was not returned
3 to the deposition officer on _____;

4 If returned, the attached Changes and
5 Signature Page contains any changes and the
6 reasons therefor;

7 If returned, the original deposition was
8 delivered to Bennett Ross, Custodial Attorney;

9 That \$_____ is the deposition
10 officer's charges to the BellSouth
11 Telecommunications for preparing the original
12 deposition transcript and any copies of
13 exhibits;

14 That the deposition was delivered in
15 accordance with Rule 203.3, and that a copy of
16 this certificate was served on all parties shown
17 herein on _____ and filed with the
18 Clerk.

19 Certified to by me this ____ day of

20 _____ 2000.

21

22

STEVEN STOGEL

23 Certified Shorthand Reporter

CSR No. 6174 - Expires 12/31/00

24 Kennedy Reporting Service, Inc.

800 Brazos, Suite 340

25 Austin, Texas 78701